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Research Report

Newspaper Advertising Bureau, Inc. 485 Lexington Avenue, New York, New York 10017

The Readership of
Newspaper Pages and Sections:
Demographic Segments
SMRB SMM--1983

This study is one of a series of marketing research reports prepared by the Newspaper Advertising Bureau, Inc., as a service to the Newspaper business and its advertisers. These reports provide the basis of recommendations for the efficient use of the newspaper medium to meet the specific marketing needs of individual companies.

December 1983

Source: 1983 Study of Media and Markets,
Simmons Market Research Bureau, Inc.

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Types of Daily Newspaper Pages or Sections Usually Read By:

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INTRODUCTORY NOTE

Measures of media exposure vary with the method of measurement used, whether the medium in question is print or broadcast. For this reason, all those who use media exposure figures should understand exactly how the data were collected.

The figures in this report are from the 1983 Simmons Study of Media and Markets. They were obtained in personal interviews with a multi-stage area probability sample of more than 19,000 adults. Every respondent who reported reading one or more daily newspapers within the past seven days was asked:

> "When you read or look into (NAME NEWSPAPER), do you generally read or look at every page of the entire newspaper, or do you tend to read or look at only some pages or sections?"

Those who say that they read or look at "only some pages or sections" were shown a card listing ten categories of content carried by the great majority of daily newspapers, as shown in the tables following, and asked:

> "Which of the numbers on this card describe the pages or sections in (NAME NEWSPAPER) you generally read or look at?"

The most important finding emerging from this approach is that six out of ten adult readers (65%)[1] indicate that they usually see every page of the newspaper they read. This does not mean that they read every item, but since the human eye is a very efficient scanning device, they have the opportunity to be exposed to any editorial or advertising content appearing in the issue.

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[1] This agrees closely with a 1982 finding by Audits and Surveys, Inc., that 67% of adult readers go through the paper "page by page."

In a 1982 study conducted by Audits and Surveys, Inc., a nationwide sample of adults was taken through sampled pages of newspapers read on the day before the interview. Findings from this part of the A&S study suggest that the SMRB figures shown in this report are roughtly equivalent to "page opening." Overall, A&S estimates average page opening at 77%--that is, the average page (or spread) in a daily newspaper is opened by 77% of all those reading the issue.

For the minority who were directly questioned by SMRB's interviewers about specific kinds of content, the figures obtained are probably close to "true" readership figures. Those who wish to estimate how these more selective readers respond to particular kinds of content can do so by subtracting the percentage shown for "usually read every page" and dividing by "read certain pages or sections."

EXAMPLE: In Table 1, the figure shown for "business, finance" is 77%. Subtracting the 62% who usually read every page leaves a remainder of 15%. Dividing this by the 38% who only read certain pages or sections yields 39%, the proportion of those specifically asked about "business, finance" who say that they usually read that page or section. The proportions for selective male (44%) and female (34%) readers indicate a larger difference between the sexes than the overall "readership" or "page opening" figure suggests.

Within any given demographic segment the figures shown in these tables may reasonably be assumed to show the relative level of interest in a specific kind of content. However, any differences found between demographic segments should be interpreted with caution, since these are affected mainly by the percentages who report reading or looking at every page. For example, Table 2 might suggest that adults who are 65 or older are just as interested in "entertainment" pages as those who are 18 to 24. This is only because more older readers report reading every page.

The fairly constant level of page opening for "entertainment" content shown in these SMRB tables might be contrasted with one of the results of a card-sorting game in the 1982 A&S research. The 25 cards used included 21 kinds of editorial content and 4 kinds of ads. In response to this part of the survey, 89% of all newspaper readers between 18 and 24 indicate that they usually read "movie ads," as compared with only 24% of those who are 65 or older. This pattern of higher interest in movie ads among young adults is consistent with other research on movie attendance.

Although different approaches to measuring the elusive concept called "readership" may yield very different results, divergent findings can be equally valuable so long as the user understands exactly how those findings were obtained and what they imply.

In Tables 17 through 19, the percentages shown for "usually read every page" reflect the fact that most of the dailies read in central cities tend to have many more pages than those read in non-metropolitan areas. Large central city newspapers also have more specialized pages and sections. The Audits and Surveys, Inc. study cited earlier indicates that the average central city reader may open to more pages than the average non-metropolitan reader has in his entire newspaper.

Table 1

Types of Daily Newspaper Pages or Sections Usually Read
(Total Adults, by Sex)

	Percent of Weekday Audience		
	Adults	Males	Females
Usually read every page	65%	64%	66%
Read certain pages or sections	35	36	34
Business, finance	78	79	77
Classified	79	78	79
Comics	80	79	81
Editorial page	81	79	83
Entertainment	82	79	86
Food, cooking	79	72	86
General news	94	92	95
Home furnishings, improvement	76	71	81
Sports	81	88	74
TV, radio listings	79	77	81
Projected base: Average Weekday Audience (in 000's)	(109,363)	(52,933)	(56,430)

Source: 1983 SMRB SMM

Table 2

Types of Daily Newspaper Pages or Sections Usually Read
(Adults, by Age)

	Percent of Weekday Audience					
	18-24	25-34	35-44	45-54	55-64	65+
Usually read every page	56%	61%	64%	66%	71%	73%
Read certain pages or sections	44	39	36	34	29	27
Business, finance	66	75	80	80	84	84
Classified	76	78	79	79	81	81
Comics	79	77	79	79	84	85
Editorial page	71	77	81	83	87	88
Entertainment	82	80	82	80	86	85
Food, cooking	69	75	80	80	86	86
General news	87	93	95	94	97	97
Home furnishings, improvement	67	73	77	77	84	82
Sports	79	78	81	81	83	85
TV, radio listings	72	75	79	79	85	86
Projected base: Average Weekday Audience (in 000's)	(16,686)	(23,393)	(19,332)	(16,469)	(16,221)	(17,261)

Source: 1983 SMRB SMM

Table 3

Types of Daily Newspaper Pages or Sections Usually Read
(Males, by Age)

	Percent of Weekday Audience					
	18-24	25-35	35-44	45-54	55-64	65+
Usually read every page	53%	61%	65%	65%	72%	71%
Read certain pages or sections	47	39	35	35	28	29
Business, finance	65	77	83	81	87	84
Classified	75	79	79	79	80	79
Comics	77	77	79	77	85	84
Editorial page	68	75	80	81	88	85
Entertainment	78	78	79	77	84	80
Food, cooking	61	68	73	73	80	78
General news	84	92	94	93	97	97
Home furnishings, improvement	61	69	72	72	81	77
Sports	86	87	88	90	92	89
TV, radio listings	70	74	77	77	84	82
Projected base: Average Weekday Audience (in 000's)	(8,610)	(11,775)	(9,788)	(7,847)	(7,400)	(7,514)

Source: 1983 SMRB SMM

Table 4

Types of Daily Newspaper Pages or Sections Usually Read
(Females, by Age)

	Percent of Weekday Audience					
	18-24	25-34	35-44	45-54	55-64	65+
Usually read every page	58%	61%	64%	66%	70%	75%
Read certain pages or sections	42	39	36	34	30	25
Business, finance	67	73	76	79	81	84
Classified	77	76	80	79	81	83
Comics	80	77	79	81	83	86
Editorial page	74	78	83	84	87	90
Entertainment	85	83	86	84	88	88
Food, cooking	77	81	86	87	91	92
General news	90	94	95	95	96	98
Home furnishings, improvement	73	76	82	82	87	86
Sports	70	70	73	73	77	86
TV, radio listings	75	76	80	80	85	81
Projected base: Average Weekday Audience (in 000's)	(8,077)	(11,618)	(9,544)	(8,622)	(8,821)	(9,748)

Source: 1983 SMRB SMM

Table 5

Types of Daily Newspaper Pages or Sections Usually Read
(Adults, by Education)

	Percent of Weekday Audience			
	College Graduate	1-3 yrs. College	High School Graduate	Some High School or Less
Usually read every page	65%	63%	66%	65%
Read certain pages or sections	35	37	34	35
Business, finance	85	78	77	74
Classified	78	78	80	77
Comics	80	80	80	80
Editorial page	85	81	81	78
Entertainment	84	82	84	79
Food, cooking	79	77	81	78
General news	96	94	93	92
Home furnishings, improvement	77	74	77	75
Sports	82	79	81	81
TV, radio listings	79	78	79	80
Projected base: Average Weekday Audience (in 000's)	(20,046)	(19,383)	(44,871)	(25,063)

Source: 1983 SMRB SMM

Table 6

Types of Daily Newspaper Pages or Sections Usually Read
(Males, by Education)

	Percent of Weekday Audience			
	College Graduate	1-3 yrs. College	High School Graduate	Some High School or Less
Usually read every page	66%	62%	65%	63%
Read certain pages or sections	34	38	35	37
Business, finance	88	80	76	73
Classified	79	77	80	76
Comics	80	78	80	78
Editorial page	85	80	77	75
Entertainment	82	80	79	75
Food, cooking	75	69	72	70
General news	96	94	91	90
Home furnishings, improvement	75	69	72	70
Sports	89	87	89	88
TV, radio listings	79	77	77	76
Projected base: Average Weekday Audience (in 000's)	(11,955)	(9,714)	(19,508)	(11,755)

Source: 1983 SMRB SMM

Table 7

Types of Daily Newspaper Pages or Sections Usually Read
(Females, by Education)

	Percent of Weekday Audience			
	College Graduate	1-3 yrs. College	High School Graduate	Some High School or Less
Usually read every page	64%	63%	67%	67%
Read certain pages or sections	36	37	33	33
Business, finance	80	77	77	75
Classified	77	80	80	78
Comics	80	81	81	80
Editorial page	86	81	83	79
Entertainment	88	85	87	83
Food, cooking	86	84	87	85
General news	96	95	95	93
Home furnishings, improvement	82	80	81	80
Sports	73	71	74	75
TV, radio listings	80	78	82	83
Projected base: Average Weekday Audience (in 000's)	(8,091)	(9,669)	(25,363)	(13,307)

Source: 1983 SMRB SMM

Table 8

Types of Daily Newspaper Pages or Sections Usually Read
(Adults, by Household Income)

	Percent of Weekday Audience				
	$35,000 & over	$25,000-34,999	$15,000-24,999	$10,000-14,999	Under $10,000
Usually read every page	63%	66%	65%	66%	66%
Read certain pages or sections	37	34	35	34	34
Business, finance	81	79	76	76	75
Classified	77	80	79	80	79
Comics	78	80	80	83	81
Editorial page	81	81	80	82	80
Entertainment	81	83	83	83	82
Food, cooking	77	79	79	81	80
General news	93	94	93	94	93
Home furnishings, improvement	74	76	78	78	77
Sports	80	82	81	81	80
TV, radio listings	75	80	81	82	81
Projected base: Average Weekday Audience (in 000's)	(30,864)	(21,230)	(24,644)	(15,357)	(17,268)

Source: 1983 SMRB SMM

Table 9

Types of Daily Newspaper Pages or Sections Usually Read
(Males, by Household Income)

	Percent of Weekday Audience				
	$35,000 & over	$25,000-34,999	$15,000-24,999	$10,000-14,999	Under $10,000
Usually read every page	62%	65%	66%	64%	64%
Read certain pages or sections	38	35	34	36	36
Business, finance	83	80	78	74	74
Classified	77	80	79	79	77
Comics	77	79	80	82	80
Editorial page	80	79	79	79	77
Entertainment	78	80	80	79	77
Food, cooking	70	71	73	74	73
General news	92	93	93	93	92
Home furnishings, improvement	69	71	74	74	71
Sports	88	89	89	88	86
TV, radio listings	73	78	80	79	77
Projected base: Average Weekday Audience (in 000's)	(16,269)	(11,108)	(12,044)	(6.761)	(6,751)

Source: 1983 SMRB SMM

Table 10

Types of Daily Newspaper Pages or Sections Usually Read
(Females, by Household Income)

	Percent of Weekday Audience				
	$35,000 & over	$25,000-34,999	$15,000-24,999	$10,000-14,999	Under $10,000
Usually read every page	63%	67%	65%	68%	67%
Read certain pages or sections	37	33	35	32	33
Business, finance	80	77	74	77	76
Classified	78	80	79	82	79
Comics	79	80	81	84	82
Editorial page	84	82	82	83	82
Entertainment	85	87	86	87	84
Food, cooking	85	88	86	86	85
General news	95	95	94	95	94
Home furnishings, improvement	80	81	81	81	81
Sports	71	74	73	76	77
TV, radio listings	76	81	82	84	84
Projected base: Average Weekday Audience (in 000's)	(14,594)	(10,122)	(12,600)	(8,597)	(10,517)

Source: 1983 SMRB SMM

Table 11

Types of Daily Newspaper Pages or Sections Usually Read (Adults, by Employment Status)

	Percent of Weekday Audience			
	Total Employed	Full Time	Part Time	Not Employed
Usually read every page	64%	64%	64%	67%
Read certain pages or sections	36	36	36	33
Business, finance	78	79	77	77
Classified	79	78	79	79
Comics	79	78	82	82
Editorial page	80	80	80	83
Entertainment	82	81	85	83
Food, cooking	77	76	80	82
General news	93	93	94	94
Home furnishings, improvement	75	75	76	79
Sports	82	82	78	80
TV, radio listings	77	77	78	82
Projected base: Average Weekday Audience (in 000's)	(65,548)	(56,620)	(8,928)	(43,815)

Source: 1983 SMRB SMM

Table 12

Types of Daily Newspaper Pages or Sections Usually Read (Males by Employment Status)

	Percent of Weekday Audience	
	Employed†	Not Employed
Usually read every page	64%	64%
Read certain pages or sections	36	36
Business, finance	80	77
Classified	78	78
Comics	79	80
Editorial page	79	79
Entertainment	79	78
Food, cooking	71	73
General news	92	93
Home furnishings, improvement	71	71
Sports	89	87
TV, radio listings	77	78
Projected base: Average Weekday Audience (in 000's)	(37,489)	(15,444)

Source: 1983 SMRB SMM

†"Full time" and "part time" breaks excluded because of small base for part-time workers.

Table 13

Types of Daily Newspaper Pages or Sections Usually Read (Females, by Employment Status)

	Percent of Weekday Audience			
	Total Employed	Full Time	Part Time	Not Employed
Usually read every page	63%	63%	66%	68%
Read certain pages or sections	37	37	34	32
Business, finance	76	75	78	77
Classified	79	78	81	80
Comics	79	78	83	82
Editorial page	81	81	80	85
Entertainment	85	85	85	86
Food, cooking	84	83	87	88
General news	94	94	95	95
Home furnishings, improvement	79	79	81	83
Sports	72	71	73	76
TV, radio listings	78	78	80	84
Project base: Average Weekday Audience (in 000's)	(28,059)	(21,835)	(6,224)	(28,371)

Source: 1983 SMRB SMM

Table 14

Types of Daily Newspaper Pages or Sections Usually Read
(Adults, by Occupation)

	Percent of Weekday Audience			
	Professional, Manager	Clerical, Sales	Craftsman, Foreman	Other Employed
Usually read every page	64%	64%	65%	63%
Read certain pages or sections	36	36	35	37
Business, finance	83	78	77	73
Classified	78	80	79	78
Comics	79	79	80	78
Editorial page	84	80	77	75
Entertainment	83	84	78	80
Food, cooking	77	80	72	75
General news	96	94	90	90
Home furnishings, improvement	76	77	73	72
Sports	81	79	87	82
TV, radio listings	79	77	76	77
Projected base: Average Weekday Audience (in 000's)	(20,609)	(19,239)	(7,560)	(18,140)

Source: 1983 SMRB SMM

Table 15

Types of Daily Newspaper Pages or Sections Usually Read
(Males, by Occupation)

	Percent of Weekday Audience			
	Professional, Manager	Clerical, Sales	Craftsman, Foreman	Other Employed
Usually read every page	65%	64%	65%	63%
Read certain pages or sections	35	36	35	37
Business, finance	86	81	77	73
Classified	78	80	79	77
Comics	79	79	79	77
Editorial page	85	77	77	74
Entertainment	81	79	77	78
Food, cooking	73	71	71	70
General news	96	93	90	89
Home furnishings, improvement	73	71	72	69
Sports	88	92	88	88
TV, radio listings	78	77	76	75
Projected base: Average Weekday Audience (in 000's)	(12,402)	(7,109)	(7,009)	(10,969)

Source: 1983 SMRB SMM

Table 16

Types of Daily Newspaper Pages or Sections Usually Read (Females, by Occupation)

	Percent of Weekday Audience		
	Professional, Manager	Clerical, Sales	Other Employed†
Usually read every page	62%	64%	64%
Read certain pages or sections	38	36	36
Business, finance	77	77	74
Classified	77	80	79
Comics	79	79	80
Editorial page	83	82	76
Entertainment	85	86	84
Food, cooking	83	86	83
General news	96	94	93
Home furnishings, improvement	79	80	77
Sports	72	71	72
TV, radio listings	79	78	78
Projected base: Average Weekday Audience (in 000's)	(8,207)	(12,131)	(7,722)

Source: 1983 SMRB SMM

†Includes "craftsman, foreman" (base too small to be shown separately).

Table 17

Types of Daily Newspaper Pages or Sections Usually Read (Adults, by Locality Type)

	Percent of Weekday Audience		
	Central City	Metro-Suburban	Non-Metropolitan
Usually read every page*	59%	66%	72%
Read certain pages or sections	41	34	38
Business, finance	72	79	83
Classified	73	80	84
Comics	78	80	82
Editorial page	79	81	83
Entertainment	80	83	84
Food, cooking	76	79	83
General news	93	93	95
Home furnishings, improvement	74	76	80
Sports	80	81	82
TV, radio listings	77	78	83
Projected base: Average Weekday Audience (in 000's)	(33,280)	(52,463)	(23,620)

Source: 1983 SMRB SMM

*See final paragraph of "Introductory Note."

Table 18

Types of Daily Newspaper Pages or Sections Usually Read
(Males, by Locality Type)

	Percent of Weekday Audience		
	Central City	Metro-Suburban	Non-Metropolitan
Usually read every page*	58%	65%	71%
Read certain pages or sections	42	35	29
Business, finance	72	81	84
Classified	72	80	84
Comics	77	80	81
Editorial page	76	80	81
Entertainment	77	80	80
Food, cooking	68	72	76
General news	92	92	94
Home furnishings, improvement	68	72	76
Sports	88	88	89
TV, radio listings	75	77	80
Projected base: Average Weekday Audience (in 000's)	(15,941)	(26,112)	(10,880)

Source: 1983 SMRB SMM

*See final paragraph of "Introductory Note."

Table 19

Types of Daily Newspaper Pages or Sections Usually Read (Females, by Locality Type)

	Percent of Weekday Audience		
	Central City	Metro-Suburban	Non-Metropolitan
Usually read every page*	59%	67%	72%
Read certain pages or sections	41	33	28
Business, finance	71	77	83
Classified	73	81	84
Comics	79	81	82
Editorial page	81	83	84
Entertainment	83	86	87
Food, cooking	83	86	89
General news	95	94	95
Home furnishings, improvement	79	80	84
Sports	73	73	76
TV, radio listings	79	80	85
Projected base: Average Weekday Audience (in 000's)	(17,339)	(26,351)	(12,740)

Source: 1983 SMRB SMM

*See final paragraph of "Introductory Note."

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Research Report

Newspaper Advertising Bureau, Inc. 485 Lexington Avenue, New York, New York 10017

DEMOGRAPHIC CHARACTERISTICS
OF FREQUENT MOVIE-GOERS

This study is one of a series of marketing research reports prepared by the Newspaper Advertising Bureau, Inc., as a service to the newspaper business and its advertisers. These reports form the basis of recommendations for the efficient use of the newspaper medium to meet the specific marketing needs of individual companies.

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INTRODUCTION

Although the movie industry deals, most often, with problems of how many and who attend a specific movie--and when--it is sometimes useful to look at the characteristics of movie-goers from the larger viewpoint of the nation as a whole.

It happens that the Simmons Market Research Bureau (SMRB) has data on movie-going, collected from its nationally projectable random sample of 19,000 respondents. This study is based on a sample of adults--those 18 years old or older--but SMRB has also done a study of adolescents and in that study were included questions about movie-going. By looking at both of these two sources, it is possible to come up with a composite view of movie-goers for the country as a whole. In turn, that means it is possible to determine the age, income, education, etc., of typical movie-goers.

Since both studies also include questions on media, it is also possible to determine the media habits of movie-goers, again on a national basis.

These studies, while large and well controlled, are not perfect matches for each other. There are some variables measured in one study that were not used in the other. For a few variables, the categories used to characterize people were not the same in both studies.

Since the SMRB national study is widely available, additional analyses can be done by anyone who wishes to make the arrangements. Of course, these data are not a custom study of movies and therefore the number of variables (and thus relationships) to be examined is limited. Even so, much can be learned.

SUMMARY OF FINDINGS

Almost half (45%) of the admissions to movies are accounted for by those who are 12 to 17 years old. About a third of the admissions (36%) are accounted for by those over 24 years of age. (A fifth of the admissions represent those over 35.) The remaining 19% are accounted for by those who are between 18 and 24. Most teenagers go to the movies at least once a month; most of those over 24 do not.

Given the facts, it would be fair to say that being a teenager means one goes to the movies. There is little difference between young people who live in big cities and those who live in rural areas; those who live in one region or another and those who live in counties with many people or counties with only a few people. There is a difference between younger teenagers and older teenagers--those under 14 don't go as often as the older ones. Perhaps this has to do with parental approval; having enough money and having the transportation to go to the movies. That young people go, regardless of where they live (and, by implication, regardless of the breadth of choices available to them or how far they might have to go) suggests that movie-going is part of being a teenager. Regardless of what is playing or how far the theatre is, come Friday night, they go. Some go very often.

But older people have more choices; they have a wider range of activities; and, to some extent, different values. Going to the movies is not a required part of being an adult. Those in big cities are more likely to go; those who live in the West may be somewhat more likely to go to the movies. It is certainly true that those living in big cities have a wider menu of movies to choose from than do those in rural areas. Usually it is easier to get to a theatre in a big city than it is in a rural area.

Although newspaper reading by teenagers is generally lower than newspaper reading by adults, those teenagers who are frequent movie-goers read daily newspapers at levels comparable to adult movie-goers.

Frequent movie-going teenagers are more likely to view late fringe television than are frequent movie-going adults.

There is a suggestion in the data that adults with more money are more likely to go to the movies than are adults with less money.

Those adults who are the most frequent newspaper readers are also the most likely to be movie-goers while those who watch the most television are the least likely to be movie-goers.

Table I

Clearly the frequent movie-goers are the young people. Only a small proportion of those over twenty-five years of age are frequent movie-goers. The 15 to 17 year olds are more likely to go twice or more often a month than are those who are 12 to 14. Perhaps this is because the younger people have less money and it is harder for them to get transportation--they must depend on others to drive them or to use public transportation. Many fewer of those 18 to 24 go to the movies frequently. And every further increase in age is accompanied by a drop in the proportion who are frequent movie-goers.

Movie-going by Age

Percentage going to movies twice or more in the last month

Age	Percent	Index #
12-14	40%	354
15-17	55%	488
18-24	13%	117
25-34	7%	62
35-44	6%	55
45-54	4%	35
55-64	3%	28
65 +	2%	19
Total U.S. (12 +)	11%	100

* An index of 100 is average. An example of how this table is to be read is: 40% of those who are 12 to 14 years old said they had gone to the movies twice or more often "last month."

Table II

Just as the teenagers are much more likely to be frequent movie-goers, so they make up the bulk of movie admissions--45% of all admissions are accounted for by people who are between 12 and 17. About a fifth of the admissions are made up of the 18 to 24 year olds. But the remaining third of the admissions come from those over twenty five--an eighth from those over 45. Part of the reason the older groups account for so much more of the admissions than would be expected, given the proportion who are frequent movie-goers, may be due to the fact that there are more people in the age group 30 to 44 than in either younger or older groups. To lose any significant part of the total group would be unacceptable to any theatre owner or major movie-maker.

Movie Admissions, by Age

Age		Percent of Total Admissions	
12-14		18%	45%
15-17		27%	
18-24		19%	33%
25-34	36%	14%	
35-44		9%	22%
45-54		6%	
55-64		4%	
65 +		3%	
		100%	

An example of how this table is to be read is: 18% of all admissions are accounted for by those aged 12 to 14.

Table III

The movie industry has the teenagers. Going to movies seems to be a part of the culture. If you are a teenager, then you go to movies and you are likely to go often. It doesn't seem to make any difference how far you have to go or the variety of titles available. Those who live in rural areas are just as likely to be frequent movie-goers as those in cities where the selection is usually much wider. And rural areas probably mean driving longer distances to get to the movies. Yet they go.

Frequent Movie-going by City-Suburb-Rural Among Teens

Residence	Percentage of teens (12-19) going twice or more in last month	Index*
City	53%	104
Suburb	55%	106
Rural	45%	87
Total U.S.	51%	100

* An index of 100 is average for this group. An example of how this table is to be read is: of all teens living in cities, 53% went to the movies at least twice in the last month.

Table IV

Nor does it make much difference whether teens live in very populated areas or in relatively sparse areas. The variations in the proportions who are frequent movie-goers are relatively minor.

Frequent Movie-going by Population of Residence County Among Teens

Residence County*	Percentage of teens (12-19) going twice or more in last month	Index**
Most populated counties	54%	106
2nd " "	52%	102
3rd " "	45%	88
Least " "	49%	95
Total U.S.	51%	100

* Counties are divided into four groups, approximately equally.

** An index of 100 is average for this group. An example of how this table is to be read is: of all teens living in the most populated counties, 54% went to the movies at least twice in the last month.

Table V

Nor does region make much difference.

Frequent Movie-going by Region Among Teens

Region	Percentage of teens (12-19) going twice or more in last month	Index*
Northeast	51%	99
North Central	48%	93
South	52%	102
West	55%	108
Total U.S.	51%	100

* An index of 100 is average for this group. An example of how this table is to be read is: of all the teens (12-19) living in the Northeast, 51% went to the movies at least twice in the last month.

Table VI

Among adults the picture changes. Adults who live in cities are far more likely to go to the movies frequently than are those who live in rural areas. There may be several reasons for this. Those living in rural areas typically have less money and may have less discretionary income. Theatres are farther apart and there is less variety available than is true in the cities. But the fact that there are reasonably large differences here suggests that something does make a difference. Adults have other things to do with their time and going to the movies is not an iron-clad rule which defines being an adult. When it is easier and when they have more to chose from, they go more often; if not, they don't. There is much less newspaper movie advertising in rural areas.

Frequent Movie-going by City-Suburb-Rural Among Adults

Residence	Percentage of adults going twice or more in last month	Index*
City	9%	142
Suburb	6%	98
Rural	3%	52

* An index of 100 is average for this group. An example of how to read this table is: among adults living in cities, 9% went to the movies at least twice in the last month.

Table VII

And this is also reflected in the differences among those who live in populated counties and those who live in sparsely-settled counties. When it is easier, or when people have more money or when there is more variety, they are more likely to go.

Frequent Movie-going by Population of Residence County Among Adults

Residence County*	Percentage of Adults going twice or more in the last month	Index**
Most populated counties	8%	125
2nd " " "	7%	112
3rd " " "	4%	61
Least " "	2%	40
Total U.S.	6%	100

---

* Counties are divided into four groups, approximately equally.

** An index of 100 is average for this group. An example of how this table is to be read is: Of all adults in the most populated counties, 8% went to the movies at least twice in the last month.

Table VIII

There are few differences by Region. It is sensible that more of those in the West are frequent movie-goers--at least around Los Angeles, where autos are a way of life and making movies a part of the culture.

Frequent Movie-going by Region Among Adults

Region	Percentage of Adults going twice or more in the last month	Index*
Northeast	6%	105
North Central	5%	80
South	6%	99
West	8%	124
Total U.S.	6%	100

---

* An index of 100 is average for this group. An example of how this table is to be read is: Among adults living in the Northeast, 6% went to the movies at least twice in the last month.

Table IX

There may be a relationship between income and frequency of attending movies. The differences in indices are large but the differences among the percentages are not large. If there is a real difference (not just the result of sampling variations) the more income, the more likely adults are to go to the movies often.

Frequent Movie-going by Family Income Among Adults

Annual Household Income	Percentage of Adults going twice or more in last month	Index*
$50,000 +	7%	119
$35,000 - 49,999	8%	124
$25,000 - 34,999	7%	114
$15,000 - 24,999	5%	86
Under $15,000	6%	90
Total U.S.	6%	100

---

* An index of 100 is average for this group. An example of how to read this table is: Among adults with annual household incomes of $50,000 or more, 7% went to the movies at least twice in the last month.

Table X

Teenagers who go to the movies twice a month or more often are more likely than other teens to read the daily paper. Their level of exposure--about two out of three read a daily paper on the average weekday--is about the same as most adults. Adults who are frequent movie-goers (twice or more per month) are no different from the rest of the population, in their newspaper reading behavior--two out of three read on the average weekday. Frequent movie-going adults are more likely than other adults to read a Sunday paper (index of 119 or 19% more likely). Frequent movie-going teens may be marginally better readers of the Sunday paper than are other teens.

The frequent movie-going teens are better viewers of late fringe than are all other teens--perhaps they are older, on the average, and thus more likely to stay up. The absolute level of viewing is about one out of four or five views the average half-hour (or at least tunes in for a while). But they are less likely to view prime-time shows than other teens. Frequent movie-going adults are quite like the other adults in their viewing behavior--at least during prime-time and late prime-time.

Media Exposure Among Frequent* Movie-Goers
Teens vs. Adults

	Percent of Teens (12-19)	Index**	Percent of Adults	Index**
Read One or More Daily Newspapers Yesterday	67%	107	67%	100
Read One or More Sunday Newspapers	58%	104	80%	119
Watched Television (Average Half-Hour) Late Fringe (Weekday) (11 PM-1 AM)	22%	117	17%***	105
Prime-Time (Mon. to Sat.) (8 PM-11 PM) (Sunday) (7 PM-11 PM)	42%	84	36%	98

* Two or more times a month.

** An index of 100 is average.

*** For adults, the question encompasses the period from 11:30 PM to 1:00 AM. An example of how this table is to be read is: Of all teens who went to the movies at least twice in the last month, 67% read a daily newspaper yesterday.

Table XI

Newspaper section/pages readership was not measured in the SMRB teen report.

With the exception of general news, other pages/section readership is only slightly less among frequent movie-goers than among all newspaper readers. There is also a tendency for frequent movie-goers to be more selective in their page/section readership vs. generally reading all pages/sections.

This may be due to the fact that frequent movie-goers tend to be younger. Younger people tend to have this pattern of reading.

Frequent Movie-goers Newspaper Section/Pages Readership Among Adults

Pages/Sections	Percentage of Frequent Movie-goers Who Generally Read	Index*
General News	93%	101
Entertainment	79%	98
TV/Radio Listings	74%	98
Sports	78%	99
Comics	76%	97
Business/Finance	72%	94

* An index of 100 is average for this group. An example of how this table is to be read is: 93% of frequent movie-going adults generally read general news pages.

Table XII

Quintile analysis and media imperatives were not measured in the SMRB teen report.

Among frequent movie-goers, 48.5% are considered to be heavy newspaper readers (Quintiles 1 & 2) vs. 39.2% considered heavy television viewers.

18.8% are reached reasonably by both newspapers and television

28.0% are reached best by television

36.4% are reached best by newspapers

Both newspaper and television "exposure" can be represented by a quintile analysis. In each case, the entire sample is divided into five approximately equal groups which vary from much exposure to the medium to little exposure.

About a fifth of the population (19%) of frequent movie-goers both read a lot of newspaper and watch a lot of TV.

More than a quarter (28%) watch a lot of TV but don't read a lot of newspapers. These are the TV imperatives. The advertiser can reach them through TV but not so well through newspapers.

More than a third (36%) read a lot of newspapers but don't watch much TV. These are the newspaper imperatives. The advertiser can reach them through newspapers but not so well through TV.

Frequent Movie-goers
TV & Newspaper Exposure
(Quintiles) Among Adults**

Newspapers	Percentage	Index
Quintile 1	21.5%	120
Quintile 2	27.1%	91
Quintile 3	13.7%	91
Quintile 4	17.7%	109
Quintile 5	20.7%	95
	100%	
Television (Prime time)		
Quintile 1	20.2%	102
Quintile 2	19.0%	95
Quintile 3	17.2%	87
Quintile 4	23.3%	114
Quintile 5	20.2%	101
	100%	
Media Imperatives		
Newspaper Imperative	36.4%	105
Television Imperative	28.0%	100
Newspaper-Television Dual	18.8%	86
Neither	16.8%	
	100%	

** NA in Teen Report

* An index of 100 is average for this group. An example of how this table is read is: Of all adults, 21.5% are in Quintile #1 (most heavily exposed to newspapers).

A 8600-8.14 1

3/84

Research Report

Newspaper Advertising Bureau, Inc. 485 Lexington Avenue, New York, New York 10017

Key Facts About

Newspapers and Advertising

1984

This study is one of a series of marketing research reports prepared by the Newspaper Advertising Bureau, Inc., as a service to the newspaper business and its advertisers. These reports form the basis of recommendations for the efficient use of the newspaper medium to meet the specific marketing needs of individual companies.

February 1984

How to Use "Key Facts"

The main purpose of this report compiled from many sources is to answer some of the most frequently asked questions about newspapers and advertising.

The report is designed mainly as a reference source, not as an account to be read through page by page. To maximize its reference value the table of contents groups specific items of information under a few broad headings such as "Advertising Cost" and "Newspaper Circulation."

For example, if one needs information on daily newspaper reach and frequency, this comes under the general heading of "Newspaper Readership," where it is listed as "Reach and Frequency: Typical Five-Day Patterns for Daily Newspapers at Varying Levels of Penetration."

The scope of this material is necessarily limited. For answers to other questions about newspapers and advertising, consult the heading, "NAB Telephone Directory."

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NAB Telephone Directory

Ad readership	Stu Tolley	557-1817
Advertising expenditures	Jim Conaghan	557-5482
Advertising rates	Jim Conaghan	557-5482
Automotive sales	Val Corradi	(313) 642-9200
CAN DO	Susan Lorenzana	557-1896
Co-op sales (NCN)	Frank Hennessey	(312) 644-1290
Coupon information	John Kelley	557-1811
DMA Planner	Ed Finlay	557-1853
Food	Dick Neale	557-1843
Information Center	Ann Brady, Susan Hyer	557-1822/3
Inserts, preprints	Jack Aldinger, Ted Knecht	557-1847/8
Marketing services	Uldis Grava	557-1854
National sales	Mac Morris	557-1865
Newspaper circulation	Jim Conaghan	557-5482
Newspaper inventory	John Kelley	557-1811
Newspaper readership	Chuck Lehman	557-1806
NEWSPLAN	Mac Morris	557-1865
New technology	Charles Kinsolving	557-1850
One Order/One Bill	Jack Aldinger, Ted Knecht	557-1847/8
Public Relations	Jim Dunaway	557-1828
Real estate classified	Tony Marsella	557-1836
Recruitment advertising	Ira Gordon	557-1862
Retailing	Alfred Eisenpreis	557-1856
SAU™ (Standard Adv. Units)	Charles Kinsolving	557-1850
SMRB data	Chuck Lehman	557-1806
Standard panels	Dan Collier	557-1858
Survey research	Chuck Lehman	557-1806
Total market coverage	Jack Aldinger	557-1847

(Unless otherwise specified, area code is 212.)

Chicago Office	(312) 644-1290
Detroit Office	(313) 642-9200
Georgia Office	(404) 949-4833
Los Angeles Office	(213) 480-0452
San Francisco Office	(415) 981-8118

NEWSPLAN: Discounts for Continuity

ONE PROGRAM:

NEWSPLAN's only purpose is to make national and regional advertising more effective by giving it the believability, immediacy and selling impact of ROP newspaper advertising at lower cost and greater convenience.

THREE BENEFITS:

Discounts--Lower cost for the advertiser

By planning ahead, you can earn discounts from 10 to 30% or more with NEWSPLAN. Plan your advertising on an annual basis to make sure your cumulative space--in lines or modular units--equals 6 pages, 13 pages, 26 pages or 52 pages. Discounts at these page levels are now in effect in over 1,000 newspapers representing 82% of total U.S. circulation.

SAUs--Simplified specs for the creative department

Thanks to Standard Advertising Units accepted by 1,430 daily newspapers (93% of total daily circulation) one finished mechanical now covers all the newspapers in your schedule in most cases. As of July 1, 1984, the expanded SAU™ system will make life still easier. (See pages 3 and 4 for more details.)

CAN DO--Better audience data for marketers and planners

CAN DO gives you net reach and frequency data for any daily or Sunday newspaper schedule and any geographic area, down to the county level. Audience figures can be run by sex, age, household income or household size. CAN DO computer runs are available through your own terminal if you are an IMS subscriber or through NAB at our cost.

For more information on NEWSPLAN, call Mac Morris at (212) 557-1865.

CAN DO

The Newspaper Advertising Bureau's CAN DO program can:

- produce detailed audience data for any list of newspapers
- provide data customized to any geographic or demographic definition
- calculate reach and frequency estimates
- allow media mix analyses through IMS data bases for other media
- deliver data output via an on-line computer system

CAN DO data are available for every daily and Sunday newspaper in the United States.

CAN DO uses county building blocks to estimate audiences for all SMSAs, ADIs, DMAs or customized areas constructed on whole county lines. And CAN DO provides estimates for the most important audience breaks--age, sex, income and household size.

If you wish to provide us with the total cost per insertion, CAN DO will give you specific cost-per-thousand information on your newspaper audience.

For further information contact Susan Lorenzana (212) 557-1896.

Standard Advertising Units (SAUs)

The Standard Advertising Unit system for national advertisers simplified the production and placement of newspaper advertising. The 25 advertising sizes were designed to fit broadsheet newspapers; 16 of them fit tabloid newspapers.

Since its implementation in 1981, the system has been widely accepted and used by agencies and advertisers. Newspapers accepting SAUs represent over 93% of total U.S. daily circulation.

SAUs were a compromise system created to accommodate varying newspaper formats and therefore were not always a perfect fit. The newspaper business recognized the need to further standardize newspaper advertising and to extend the system to our retail clients.

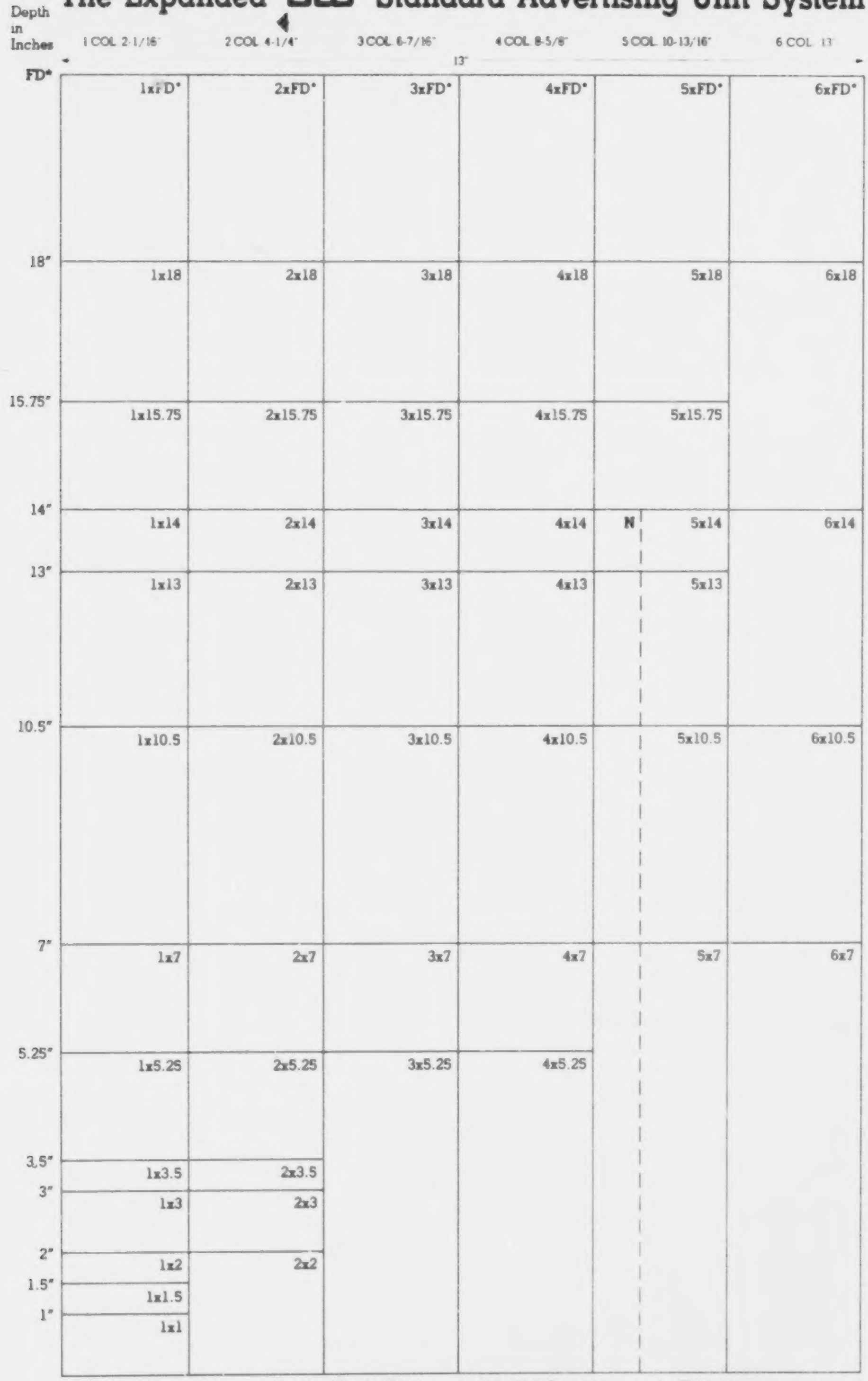
The SAU Working Committee has developed the expanded SAU™ system which goes into effect on July 1, 1984. The system has received the endorsement of AAAA, ANPA, INAME, NAB and other organizations. Broadsheet newspapers will adopt a 6-column format for display advertising, a 13-inch printed page width and a standard column width of $2\frac{1}{16}$ inches. Measurement and billing of advertising will be based on the standard column inch. Most tabloids will adopt a 5-column format with the same column widths as broadsheets. (The expanded SAU™ format chart on page 5 depicts 53 of the 57 advertising sizes developed.)

For more information or a full-scale SAU™ format chart, call Charles Kinsolving at (212) 557-1850.

BEST AVAILABLE COPY

(Effective July 1, 1984)

The Expanded SAU™ Standard Advertising Unit System


Depth in Inches
1 COL 2-1/16"
2 COL 4-1/4"
3 COL 6-7/16"
4 COL 8-5/8"
5 COL 10-13/16"
6 COL 13"
13"
FD*
1xFD*
2xFD*
3xFD*
4xFD*
5xFD*
6xFD*
18"
1x18
2x18
3x18
4x18
5x18
6x18
15.75"
1x15.75
2x15.75
3x15.75
4x15.75
5x15.75
14"
1x14
2x14
3x14
4x14
N
5x14
6x14
13"
1x13
2x13
3x13
4x13
5x13
10.5"
1x10.5
2x10.5
3x10.5
4x10.5
5x10.5
6x10.5
7"
1x7
2x7
3x7
4x7
5x7
6x7
5.25"
1x5.25
2x5.25
3x5.25
4x5.25
3.5"
1x3.5
2x3.5
3"
1x3
2x3
2"
1x2
2x2
1.5"
1x1.5
1"
1x1

1 Column 2-1/16"
2 Columns 4¼"
3 Columns 6-7/16"
4 Columns 8⅝"
5 Columns 10-13/16"
6 Columns 13"

Double Truck 26¾"
(There are four suggested double truck sizes:)

13xFD*	13x18
13x14	13x10.5

***FD (Full Depth)** can be 21" or deeper. Depths for each broadsheet newspaper are indicated in the Standard Rate and Data Service. All broadsheet newspapers can accept 21" ads, and may float them if their depth is greater than 21".

Tabloids: Size 5 x 14 is a full page tabloid for long cut off papers. Mid cut off papers can handle this size with minimal reduction. The N size, measuring 9⅜ x 14, represents the full page size for tabloids such as the New York Daily News and Newsday and other short cut off newspapers. The five 13 inch deep sizes are for tabloids printed on 55 inch wide presses such as the Philadelphia News. See individual SRDS listings for tabloid sections of broadsheet newspapers.

Newspaper Advertising Bureau, Inc.
485 Lexington Avenue, New York, New York 10017 (212) 557-1800

ROP Color Availability

The great majority of newspapers offer ROP color advertising. In the top 300 markets, less-than-one-page ads in BW&1C can reach 93% of the total weekday circulation. Ads in BW&3C can reach 85% of the total circulation.

Percent of Total Circulation Represented by Daily Newspapers Offering ROP Color[1]

	Accept Less Than full-Page Ad			Accept Full-Page Ad		
Market Rank:	One Color	Two Colors	Full Color	One Color	Two Colors	Full Color
Top 25	84.5%	73.7%	71.4%	88.8%	81.9%	79.7%
26-50	100.0	97.2	92.8	100.0	97.2	92.8
51-75	95.8	99.6	97.2	99.6	99.6	97.2
76-100	100.0	98.1	97.0	100.0	98.1	97.0
101-200	99.1	97.6	97.2	100.0	99.8	99.4
201-300	100.0	98.9	97.5	100.0	98.9	97.5
Cumulative:						
Top 50 markets	88.6%	79.8%	77.0%	91.8%	85.9%	83.1%
Top 75 markets	90.1	82.6	79.8	92.9	87.8	85.1
Top 100 markets	90.9	83.9	81.3	93.4	88.7	86.1
Top 200 markets	92.3	86.2	84.0	94.6	90.4	88.3
Top 300 markets	92.9	87.1	85.0	95.0	91.2	89.0

Sources: SM Survey of Buying Power, 1981; SRDS, September 1981; ANM Circulation '81/'82.

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[1] All daily newspapers with at least .05 ratio of circulation to households, or more than 25,000 circulation in the SMSA.

Free-Standing Insert Options

Today inserts can be distributed in nearly every daily and Sunday newspaper in the United States. Circulation achieved is more than 59,000,000 daily and 52,000,000 Sunday. Over 50% of all Sunday editions can distribute an insert in less than their full-run circulation, and more than 75% will accept a product sample attached to an insert. A similar proportion will accept an envelope, either empty or containing inserts or coupons.

Sizes are almost limitless. You can make an insert as large as anything that fits into the newspaper when folded, to 11" x 13", or as small as 5" x 7". Formats are equally varied: from a single page to a booklet of 96 pages or more. Inserts can be long or short and can include flaps, gatefolds, reply cards, coupons, perforations, fragrances, etc. Inserts can be printed on all types of paper from ordinary newsprint to super-coated card stock.

NAB's One-Order/One-Bill Service

Estimates and information can be obtained from Jack Aldinger or Ted Knecht of our Insert Division at (212) 557-1847/8. The Insert Division is set up to provide advertisers and agencies with all the information needed to plan and execute any type of multi-newspaper insert program, including specifications and availabilities, as well as cost estimates for printing, freight and inserting. The Insert Division will handle all paper work, make reservations, issue insertion orders and forward payment to every newspaper on the schedule, billing you on one invoice. Feel free to use this valuable service.

Newspaper Co-op Network® (NCN)

With just one call to the Newspaper Co-op Network®, manufacturers and advertising agencies can easily place dealer listing co-op ads in any number of markets.

NCN makes it possible for you to coordinate your local message with your national brand awareness advertising--and still include local dealer listings in each market. You place only one order and get one bill--NCN DOES ALL THE WORK!

The key to the system is a national network of local newspapers, organized into eight sales and control regions. Each region has an NCN coordinator headquartered at a major newspaper in a centrally located market.

This network gives you exactly the type of market coverage you need: local, regional or national.

NCN is a total marketing package that dramatically increases vertical movement. Here are ten of NCN's unique advantages:

FACT 1 One Order/One Bill makes newspapers easy to use for co-op and eliminates the hassle of multiple orders and multiple invoices.

FACT 2 NCN® is cost efficient--It eliminates administration costs and insures the best possible rates available for dealer list co-op advertising.

FACT 3 Stimulates local retailer involvement and produces new retail single-signature advertising.

FACT 4 Flexibility--Tailors newspaper coverage to your needs for any combination of regular or test markets.

FACT 5 Creative Control--Advertiser controls both graphics and copy content.

FACT 6 Guaranteed Timing--Direct placement when and where you want it.

FACT 7 Localized Monitoring--Provides a new measurement tool. National Sales Manager now evaluates local market dealer penetration.

FACT 8 Customization--Dovetails ad coverage with local representatives' sales areas or distributor/wholesaler territories.

FACT 9 Specialization--Trouble-shooting capability to solve immediate marketing problems, i.e., excess inventory, new product test and competitive threat, market by market.

FACT 10 Free Sales Help!--NCN acts as an extension of your own field sales force, uniting them with newspaper co-op managers throughout North America. (Newspapers have more than 26,000 retail sales people in the field.)

Best of all, NCN WORKS. Ask us for success stories. For more information on NCN, call Frank Hennessey at (312) 644-1295.

Where to Obtain Rate Information

Current information on ROP rates for daily and Sunday/weekend newspapers is available from the Marketing Services Section of NAB. Contact Jim Conaghan at (212) 557-5482.

Through NAB's NEWSPLAN, over 1,000 newspapers representing more than 82% of total weekday circulation offer discounts to national and regional advertisers who place ROP linage or modular units equal to six or more pages per year. For more information, contact Mac Morris at (212) 557-1865.

Current information on rates for preprints and inserts is available from Jack Aldinger at (212) 557-1847 or Ted Knecht at 557-1848.

Among the Marketing Services reports that include rate information are the following:

METROPOLITAN MARKETS 1-125 BY HOUSEHOLDS

METROPOLITAN MARKETS 126-300 BY HOUSEHOLDS

United States markets ranked by number of households in SMSA. Lists all newspapers with at least .05 ratio of circulation to households or more than 25,000 circulation. Includes time of publication; ratio of circulation; open line rates: and cost of a quarter page, one page and 20,000 lines. Published separately for weekday and Sunday/weekend editions.

300 METROPOLITAN MARKETS BY HOUSEHOLDS

Same information as above for all newspaper groups with at least .05 ratio of circulation to households in the top 125 markets, a .10 ratio in markets 126 through 300, or more than 25,000 circulation in the SMSA. Published separately for weekday and Sunday/weekend editions.

CUMULATIVE CIRCULATION AND RATES OF NEWSPAPERS IN 300 METROPOLITAN MARKETS NECESSARY TO OBTAIN 60% HOUSEHOLD COVERAGE IN EACH MARKET

Summary data on the above statistics for the top 10 markets, the top 20, etc.

TOP 300 METROPOLITAN MARKETS: ROP COLOR AND MEZZOTINT

U.S. NEWSPAPERS WITH ZONE EDITIONS

A Few Common Newspaper Terms

Agate line:	The traditional newspaper space measurement, one column wide and one-fourteenth of an inch deep.
Broadsheet newspaper:	A "standard" or large-size newspaper. As of July 1, 1984, most broadsheet dailies will adopt a uniform 13-inch printed page width and a full depth of 21" or deeper, up to 22½".
Circulation:	The number of copies sold or distributed. For the more than 90% of weekday circulation audited by the Audit Bureau of Circulation, the term always denotes paid circulation.
Column inch:	Space measurement favored by local advertisers, one column wide and one inch deep.
Double truck:	Two facing pages used for a single unbroken advertisement. Also called a two-page spread.
Facsimile transmission:	The electronic transmission of a page image (usually to printing plants at other sites).
Gutter:	The blank space on the inside page margin.
Newsprint:	The uncoated, machine-finished paper on which newspapers are printed.
Pagination system:	A computerized makeup system for composing whole pages of type, line art and halftones.
Press run:	Total number of copies printed per issue.
ROP:	Originally, ROP (or "run-of-paper") denoted an advertisement position anywhere in a newspaper (as opposed to a preferred position). Now ROP is generally applied to ads that appear on a newspaper page (as opposed to inserts or preprints).
Scotch double truck:	A single unbroken advertisement on two facing pages bordered by one full column of editorial on each of its vertical sides and by shallow columns of editorial across the top.
Tabloid:	A newspaper with a smaller page size than a broadsheet. A full tabloid page is usually 14 inches deep. The width varies from $9\frac{3}{8}$" ("short cut-off") to $10\frac{13}{16}$" ("long cut-off").

Daily Newspaper Audience
(Average Weekday)

	Number (in 000's)	Percent of Population (Coverage)	Percent of Audience (Composition)
Total Adults	109,363	66%	100%
By Sex:			
Men	52,933	68%	48%
Women	56,430	65	52
By Age:			
18-24 years	16,686	58%	15%
25-34 years	23,394	61	21
35-44 years	19,332	70	18
45-54 years	16,469	73	15
55-64 years	16,221	74	15
65 years or older	17,261	68	16
By Education:			
College graduate	20,046	78%	18%
1-3 years college	19,383	71	18
High school graduate	44,871	68	41
1-3 years high school	14,039	60	13
Grammar school or less	11,024	49	10
By Household Income:			
$40,000 & over	23,389	78%	21%
$30,000 & over	40,550	77	37
$25,000 & over	52,093	76	48
$20,000-$24,999	13,489	69	12
$15,000-$19,999	11,155	64	10
$10,000-$14,999	15,357	60	14
Under $10,000	17,268	52	16
By Occupation:			
Professional, manager	20,609	75%	19%
Clerical, sales	19,239	72	18
Craftsman, foreman	7,560	63	7
Other employed	18,140	61	16
Not employed	43,815	64	40

Source: 1983 SMRB Study of Media and Markets.

Sunday/Weekend Newspaper Audience
(Average Sunday/Weekend)

	Number (in 000's)	Percent of Population (Coverage)	Percent of Audience (Composition)
Total Adults	108,352	66%	100%
By Sex:			
Men	52,126	67%	48%
Women	56,226	65	52
By Age:			
18-24 years	17,974	63%	17%
25-34 years	24,298	63	22
35-44 years	19,223	70	18
45-54 years	15,959	71	15
55-64 years	15,453	71	14
65 years or older	15,445	61	14
By Education:			
College graduate	20,541	79%	19%
1-3 years college	19,929	73	18
High school graduate	44,513	68	41
1-3 years high school	13,507	58	13
Grammar school or less	9,862	44	9
By Household Income:			
$40,000 & over	24,086	81%	22%
$30,000 & over	41,462	79	38
$25,000 & over	53,141	77	49
$20,000-$24,999	13,228	68	12
$15,000-$19,999	11,152	64	10
$10,000-$14,999	15,084	59	14
Under $10,000	15,747	47	15
By Occupation:			
Professional, manager	21,370	78%	20%
Clerical, sales	19,026	72	18
Craftsman, foreman	7,685	64	7
Other empolyed	17,750	60	16
Not employed	42,521	62	39

Source: 1983 SMRB, Study of Media and Markets.

Reach and Frequency: Typical Five-Day Patterns for Daily Newspapers at Varying Levels of Penetration

One Issue Reach:		Number of Weekday Issues: Two	Three	Four	Five
15%	Reach	19%	22%	23%	25%
	Avg. Freq.	1.6	2.1	2.6	3.1
20%	Reach	26%	29%	31%	33%
	Avg. Freq.	1.6	2.1	2.6	3.1
25%	Reach	32%	36%	39%	41%
	Avg. Freq.	1.6	2.1	2.6	3.1
30%	Reach	38%	43%	46%	48%
	Avg. Freq.	1.6	2.1	2.6	3.1
35%	Reach	45%	50%	54%	56%
	Avg. Freq.	1.6	2.1	2.6	3.1
40%	Reach	51%	57%	61%	64%
	Avg. Freq.	1.6	2.1	2.6	3.1
45%	Reach	58%	64%	68%	71%
	Avg. Freq.	1.6	2.1	2.6	3.2
50%	Reach	64%	71%	75%	78%
	Avg. Freq.	1.6	2.1	2.7	3.2
55%	Reach	70%	78%	82%	85%
	Avg. Freq.	1.6	2.1	2.7	3.2
60%	Reach	77%	84%	88%	91%
	Avg. Freq.	1.6	2.1	2.7	3.3

Note: These estimates assume a turnover rate of 28%, which is average for metropolitan newspapers. Turnover rates, the ratio of the two-issue reach to the one-issue reach, range from about 16% to 36%. Since the reach and frequency patterns for individual newspaper vary, these estimates should be used only in the absence of local data.

Source: Audits and Surveys, Inc.;
Newspaper Advertising Bureau

Number of Daily and Sunday Newspapers in the United States

Year	Morning	Evening	All Day	Total Daily	Sunday
1978	337	1,401	18	1,756	696
1979	358	1,381	24	1,763	720
1980	357	1,358	30	1,745	735
1981	379	1,323	30	1,732	755
1982	401	1,277	33	1,711	768

Circulation of Daily and Sunday Newspapers in the United States
(in 000's)

Year	Morning[1]	Evening[1]	Total Daily[1]	Sunday
1978	27,657	34,333	61,990	53,990
1979	28,575	33,648	62,223	54,380
1980	29,414	32,788	62,204	54,672
1981	30,552	30,878	61,431	55,180
1982	33,174	29,313	62,487	56,260

[1] Circulation of all-day newspapers is apportioned between "Morning" and "Evening."

Source: Editor and Publisher Yearbook. Prepared by Newspaper Advertising Bureau.

How Much Do People Spend to Read Daily and Sunday Newspapers?
1982 Estimate of Annual Expenditures in the United States
(in thousands of dollars)

Weekday	Sunday	Total
$4,689,837	$1,966,824	$6,656,661

Source: SRDS; Editor and Publisher Yearbook; ABC; CARD.
Prepared by: Newspaper Advertising Burea.

Readers-Per-Copy Estimates for Total U.S.

	Weekday	Sunday/weekend
Adults	2.13	2.25
Men	1.06	1.10
Women	1.07	1.15

Sources: Estimate by Newspaper Advertising Bureau, 1983, based on 1983 SMRB Study of Media and Markets; Editor and Publisher Yearbook, 1983; and ANM Circulation, '83/'84.

Weekday Newspaper Readers-Per-Copy in Top 25 ADIs

Top 25 ADIs	2.52
Markets 1-5	2.66
Markets 6-10	2.44
Markets 11-25	2.39

Sources: Estimate by Newspaper Advertising Bureau, based on 1982 SMRB Study of Media and Markets; Editor and Publisher Yearbook, 1982; and ANM Circulation, '82/'83.

Average Weekday Coverage of Professionals and Managers (Total U.S.)

	Total (in 000s)	Daily Readers (in 000s)	Percent of Total
Total professionals & managers	27,537	20,609	75%
Individual employment income of $35,000 & over	5,675	4,527	80%
College graduate	15,806	12,294	78
Involved in business purchase decision in last 12 months	8,777	6,890	79

Source: 1983 SMRB Study of Media and Markets.

Most newspaper readers are subscribers:

How Daily Newspapers Read Yesterday Were Obtained

Subscribe, delivery	74%
Bought single copy	18
Family member brought home	3
Obtained otherwise	5

Source: Audits and Surveys, Inc., 1982.

The size of the daily audience varies little over the five weekdays.

Index of Daily Newspaper Readership by Adults

Average Weekday	Monday	Tuesday	Wednesday	Thursday	Friday
100	98	100	102	100	103

Source: Audits and Surveys, Inc., 1982.

Newspaper reach is virtually constant throughout the year.

Index of Month-by-Month Circulation[1]

	J	F	M	A	M	J	J	A	S	O	N	D
AM	101	101	101	101	100	99	97	98	99	101	101	100
PM	99	100	100	100	100	100	99	99	100	101	101	101
Sun/wknd	100	101	101	101	100	99	98	98	100	101	101	100

[1] Average month circulation-100.

Source: Media General, Inc., survey of ICMA members. Data cover the years 1976-1980 and are weighted by circulation size and geographic region to represent national totals.

The Reading of Daily Newspapers:

Average Number of Times Read or Looked At and Average Time Spent Reading Dailies Yesterday, by Day of the Week and Number of Papers Read*

	Avg. No. Times Read/Looked at Newspaper	Avg. Time Spent Reading (Minutes)
Monday		
Read 1 daily	1.5	38
Read 2+ dailies	3.0	61
Tuesday		
Read 1 daily	1.5	40
Read 2+ dailies	2.7	59
Wednesday		
Read 1 daily	1.5	38
Read 2+ dailies	3.1	59
Thursday		
Read 1 daily	1.6	42
Read 2+ dailies	3.2	72
Friday		
Read 1 daily	1.6	39
Read 2+ dailies	2.8	58
All Yesterday Readers	1.8	44

*Audits and Surveys, 1982: National sample of 1,979 adults interviewed in person about "yesterday's" newspaper reading. Interviews were equally distributed across the week, Tuesday-Saturday; "yesterday reading" behavior was probed for three dayparts separately.

Page Opening--Reader Traffic

Will the daily newspaper give you the opportunity to put your ad in front of the kinds of people you want to reach? A 1982 study for NAB conducted by Audits and Surveys, Inc. measured the level of exposure to ten pages selected at random from each paper in our national sample. Only spreads of classified advertising were left out.

This research shows that the typical newspaper page is opened by nearly four out of five issue readers (77%). Page opening levels are pretty much the same for men and women and among people at every level of age, income and education, on every day of the week. And the pages that carry every kind of content get opened.

Percent of Readers Opening Daily Newspaper Pages

Total adult readers	77%
Men	75%
Women	79
18-24 years	75%
25-29 years	75
30-34 years	75
35-44 years	77
45-54 years	80
55-64 years	78
65 years or older	78
General news	83
Local news	82
Food, fashion, social news	75
Sports	71
Business	68
Editorial page	80
Comics	80
Entertainment	79

Source: Audits and Surveys, Inc., 1982.

Estimating Ad Readership

Page opening is the accepted measure of the opportunity for advertising exposure. Other measures, such as Starch "Noted" scores are also widely used as indications of a specific ad's attention value. It is well known that these scores vary with the nature of the advertised product, the size of the ad and the creative treatment.

Only a readership survey can provide reliable clues to a specific ad's attention value, but in the absence of a survey an estimate based on average Starch Noted scores may be useful. Average Starch Noted scores also provide a useful benchmark for evaluating the performance of individual measured ads.

Average Starch "Noted" Scores for 22 Product Classifications

Size Category (in lines)†	Expanded SAU™ Equivalents‡	Average Noted Score	
		Men	Women
140-299	1x7 to 3x5.25	18%	20%
300-599	3x5.25 to 3x10.5	25	30
600-999	3x10.5 to 4x13	30	37
1,000-1,499	4x13 to 5x15.75	34	39
1,500 & over	over 5x15.75	44	47

†Average full page (broadsheet)=2,400 lines

‡For discussion of Expanded SAU™ system, see pages 4 and 5.

Source: Daniel Starch, Inc. (for Million Market Newspapers), 1961-1967.

Multiple Insertions: How Advertising Exposure Accumulates

It is virtually impossible to obtain direct measures of the number of people reached by multiple ad insertions.

However, if it can be assumed that the likelihood of newspaper readers seeing one or more ads in a campaign is approximately the same as the likelihood of seeing one or more in a single newspaper issue with the same total number of insertions, than it is possible to estimate the cumulative effect of multiple insertions.

In order to estimate the net reach or two or more advertising insertions, the first step is to establish the average exposure level for a single insertion, either through custom research or by the use of an estimate. Given this base figure, it can be assumed that multiple insertions will build along the lines shown in the following table.

Estimated Net Reach and Frequency for Multiple Ad Insertions

Noted Score		Number of ads in Campaign:					
		Two	Three	Four	Five	Six	Seven
20%	net reach:*	30%	38%	45%	50%	55%	58%
	avg. freq:	1.3	1.6	1.8	2.0	2.2	2.4
25%	net reach:	37%	46%	53%	59%	63%	66%
	avg. freq:	1.4	1.6	1.9	2.1	2.4	2.6
30%	net reach:	43%	53%	61%	67%	71%	74%
	avg. freq:	1.4	1.7	2.0	2.2	2.5	2.8
35%	net reach:	50%	60%	68%	74%	78%	80%
	avg. freq:	1.4	1.8	2.1	2.4	2.7	3.1
40%	net reach:	55%	65%	73%	79%	83%	85%
	avg. freq:	1.5	1.8	2.2	2.5	2.9	3.3
45%	net reach:	60%	70%	78%	84%	87%	89%
	avg. freq:	1.5	1.9	2.3	2.7	3.1	3.5
50%	net reach:	65%	75%	83%	88%	90%	91%
	avg. freq:	1.5	2.0	2.4	2.9	3.3	3.8

*Net reach=percent of exposed audience reached one or more times.

(For more details see, "Yardstick of Accumulative Newspaper Ad Readership," Newspaper Advertising Bureau.)

Ad readership varies little whether the ad appears on the left or right side of the page...

	Left	Right
Men	99	102
Women	100	100

...above or below the fold...

	Above Fold	Below Fold
Men	99	101
Women	100	100

...or in the gutter or outside position.

	Gutter	Outside
Men	100	101
Women	101	100

But...editorial environment can affect performance.

Advertisements for Products of Interest to Both Men and Women

Type of Page:	Men	Women
Sports	114	49
Food, home	63	101
General news	100	101

NOTE: Index--Starch "Noted" score for average ad=100.

Source: MMN Starch studies of 32,000 ads.

Most Believable Advertising Medium

	Percent Selecting Medium	Rank of Medium
Newspapers	42%	1
Television	26	2
Magazines	11	3.5
Radio	11	3.5
Direct Mail	5	5
All about equal	2	NA
No opinion	3	NA

Source: Opinion Research Corporation, Caravan Express, August 1981.

Percent Who Look Forward to Advertising in Five Media

	Percent*
Newspaper ads	60%
Mail ads	28
Magazine ads	20
Television commercials	7
Radio commercials	6

*Total exceeds 100% because of multiple mentions.

Source: Response Analysis Corporation, 1982.

Editorial Environment: Newspaper Features and Sections

Daily and Sunday newspapers aren't just news: The newspaper provides a world of varied editorial environments that meet the needs of almost any advertiser.

Thanks to a 1983 survey mailed to evey daily and Sunday newspaper in the United States and Canada, Newspaper Advertising Bureau can supply a computerized list of newspapers carrying specific features. This list, alphabetized by state and by city within state, tells which days of the week the feature runs, as well as the newspaper's general policy on positioning. (More than eight out of ten U.S. newspapers will position advertising near appropriate content on request, usually without charge.)

Features on which information is available include:

Advice on personal finance
Astrology
Automotive
Beauty
Best food buys

Books
Bridge
Business, financial
Career advice
Child care

College
Computers (personal)
Consumers, action line
Diet, nutrition
Environment, ecology

Etiquette
Farm and ranch
Fashion, men
Fashion, women

Fashion, teenage
Games and puzzles
Gardening
Health and medical
Home building, repair

Home furnishings, decorating
Household hints
Movie reviews
Movie timetable

Music, records, tapes
Op Ed page
Outdoors: camping, etc.
"People"
Personal advice

Pets
Photography
Radio log
Real estate

Recipes
Religion
Restaurants
Retirement, Social Security

School news
Science, technology
Security & commodity quotations
Sewing patterns

Sports (spectator)
Sports (participant)
Stamps, coins
TV reviews
Theatre

Travel & resort
Weather map
Wine
Youth

For more information, call John Kelley (212) 557-1811.

How Newspaper Advertising Works

The daily newspaper is a unique advertising medium. NAB's "Creative Newspaper" shows that the medium can offer almost unlimited possibilities for innovation, but years of retailer experience and research prove that newspaper ads don't have to amuse, startle or shock in order to sell.

Many people "look forward" to newspaper advertising. A card-sorting game included in a national study of newspaper reading (Audits and Surveys, Inc., 1982) indicates that more readers are interested in supermarket ads, store ads for clothing, classified ads and movie ads, than are interested in crossword puzzles, book reviews or sports news about professsional teams.

In other words, readers are accustomed to thinking of the daily newspaper mainly as a useful source of information. They are certainly aware of the difference between editorial content and advertising, but when the information is useful, they don't pay much attention to this distinction. Newspaper ads are seldom perceived as intrusive because readers don't have to spend any time with them unless they want to.

In 1979, Admar Research Company conducted interviews involving 339 different ads appearing in 27 major newspapers across the country. This research demonstrates the close links between buying interest and interest in newspaper advertising.

Questions about how likely it was that the reader would buy the kind of item advertised within the next year showed that 54% were "prospects." Other questions on the likelihood of buying the advertised brand or patronizing the advertised store were used to establish six levels of prospect status. Finally, readers were asked about interest in the ad itself. Here are the results:

Average Interest Level in 339 Newspaper Ads
(by Prospect Status)

	Interest in Ad
Prospects:	
I ("hottest" prospects)	90%
II	78
III	48
Non-prospects:	
IV	48%
V	33
VI ("coldest" prospects)	11

(For further details, see "How Newspaper Ads Select Customers," Newspaper Advertising Bureau, 1979.)

Percent of This Week's Purchases Not Planned Last Week

	Percent Unplanned
Women's wear (average)	86%
Men's wear	82
Children's infants' wear	85
Stationery, gift items	76
Major appliances, TV, stereo	88
Furniture, furnishings	79
Household textiles, sewing items	85
Housewares and supplies	95
Sporting goods	85

Advertising Influence on Last Unplanned Purchase

	Saw or Heard Advertising		Source of Advertising
Total reporting unplanned purchase	41%	=	100%*
Newspaper			60%
Television			17
Direct mail			15
Magazine			6
Radio			5
Something left at door			3
No answer			1

*Total exceeds 100% because of multiple answers.

Source: Response Analysis Corporation, 1982.

(For more details, see "How America Shops and Buys," Newspaper Advertising Bureau, 1983.)

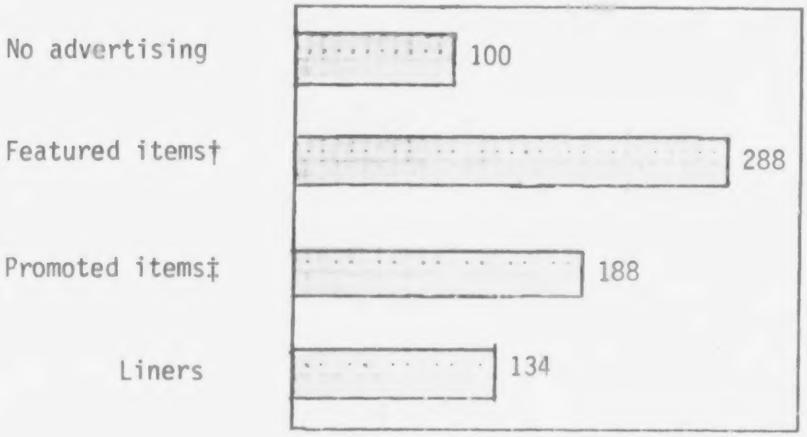
How Newspaper Advertising Affects Package Good Sales

In 1980, computerized scanner records were used to analyze the effect of ad linage and price cuts on product movement. The analysis covered 479 items appearing in 20 ads from 17 stores. Unit and dollar sales were recorded for the week of the ad and two weeks before the ad (the base period).

Results show that, on average, newspaper advertising triples the volume of items advertised at cut prices. The sales effectiveness of newspaper ads doesn't depend on price cuts--advertising goods at regular prices doubles sales.

The movement of items advertised at regular prices is closely tied to the amount of advertising space given an item.

Sales results for items advertised at regular prices



†Four square inches or more.

‡Larger than a liner but less than four square inches.

Cents-Off Coupons

Newspapers continue to be the medium through which most coupons are distributed.

Coupon Distribution Patterns

	1982	1981	1980
Newspapers	77.9%	78.5%	75.6%
Daily	23.1	27.3	31.1
Co-op	15.2	17.7	17.1
Sunday	6.3	7.3	9.0
F.S.I.	33.3	26.2	18.4
Magazines	11.4	11.8	13.3
Direct mail	3.8	3.3	3.4
In/on pack	6.9	6.4	7.7

Source: Nielsen Clearing House, 1983.

Movement of Products Supported by Couponed Newspaper Advertising

	Lipton Lots-a-Noodles Soup	Minute Maid Apple Juice
Week before ad	252 units	79 units
Week of ad	456	239
Week after ad	326	222

Source: NABSCAN, 1981, based on data from 7 scanner stores in 7 different cities.

Usage of Cents-Off Coupons from Newspapers by Female Homemakers

	Percent of	
	Female Homemakers	Coupon Users
Ever use cents-off coupons	70%	100%
Use Coupons from newspapers	62%	88%
Heavy--more than once a week	10	13
Medium--once a week	24	34
Light--less often	28	41

Source: 1982 SMRB Study of Media and Markets.

Advertising-to-Sales Ratios for Selected Retail Stores and Services (1982)

	Ad Dollars as Percent of Sales
Amusement & recreation services (misc.)	4.7%
Apparel & accessories stores	2.8
Auto dealers & gas stations	1.3
Automotive repair & service	2.5
Data processing services	1.0
Department stores	3.0
Drug & proprietary stores	1.8
Eating places	3.3
Educational services	4.6
Equipment rental & leasing	2.7
Finance services	2.3
Fuel & ice dealers	0.6
Furniture stores	7.2
Grocery stores	1.3
Hotels, motels	2.5
Household appliance stores	5.7
Insurance agents, brokers	1.1
Jewelry stores	6.3
Lumber & building materials	2.7
Mail order houses	15.7
Motion picture theaters	3.3
Personal credit institutions	1.6
Personal services	6.6
Radio & TV broadcasters	3.5
Real estate	3.0
Savings & loan associations	0.5
Shoe stores	1.6
Women's ready to wear	2.5

Source: Special analysis by Schonfeld and Associates of SEC data for 5,000 publicly owned companies, as reported in Advertising Age, August 15, 1983.

How Can Intermedia Advertising Costs Be Estimated?

Media planners often need to compare the cost of various advertising media. The Designated Market Area (DMA) is a geographic unit that lends itself to this purpose, since the 205 DMAs account for the total land area of the United States.

Intermedia cost estimates can best be expressed in terms of households rather than adults because current household figures are available for both broadcast and newspapers.

Since major advertisers and agencies are usually concerned with advertising schedules rather than single insertions, the logical measure of potential exposure is Gross Rating Points (GRPs).

The table on page 32 illustrates how GRPs can be used for intermedia comparisons, in this case between TV and newspapers. This table shows marginal differences in the household universes for newspapers and TV because Nielsen household estimates are 98% of 1984 forecasts (year ahead) whereas newspaper DMAs are 100% of Market Statistics 1983 updates (year past) of the 1980 Census.

The table on page 32 compares the cost-per-household GRP of the newspaper space unit (SAU 13) and TV time unit (30 seconds) most favored by national advertisers. For TV, the daypart used is prime time because this is the period offering the largest dual audience.

It should be kept in mind that the figures shown represent a conservative estimate at national open rates, used in the initial stages of setting up a media plan. A final plan specifying particular TV programs and individual newspapers (with local or earned volume discounts) might show slightly different results.

For further details contact Ed Finlay (212) 557-1853.

Daily Newspaper vs. Television DMA Household and Cost/HH GRP Comparison
(Oct-Dec 1983)

		30 sec. Primetime Spot TV		SAU 13 Daily Newspapers	
		HH (000)	Cost/HH GRP	HH (000)	Cost/HH GRP
1.	New York	6,489	$ 671	6,554	$ 500
2.	Los Angeles	4,383	540	4,302	296
3.	Chicago	2,948	311	2,997	237
4.	Philadelphia	2,425	249	2,431	205
5.	San Francisco	2,038	266	1,993	179
6.	Boston	1,957	283	1,947	185
7.	Detroit	1,643	169	1,676	161
8.	Washington, DC	1,511	163	1,491	160
9.	Dallas-Ft. Worth	1,448	212	1,383	149
10.	Cleveland	1,400	123	1,420	120
	TOTAL: Top 10	26,242	$2,987	26,194	$2,192
11.	Houston	1,381	$ 217	1,288	$ 112
12.	Pittsburgh	1,204	147	1,217	102
13.	Miami	1,153	186	1,122	85
14.	Seattle-Tacoma	1,135	133	1,121	108
15.	Minneapolis-St. Paul	1,129	119	1,090	92
16.	Atlanta	1,113	151	1,079	77
17.	Tampa-St. Petersburg	1,099	142	1,039	82
18.	St. Louis	1,037	97	1,046	51
19.	Denver	923	137	860	64
20.	Sacramento	886	90	840	78
	TOTAL: Top 20	37,302	$4,406	36,896	$3,043

Sources: Market Statistics, Media Market Guide, SRDS, Circulation 83/84.

Total U.S. Advertising Expenditures in Consumer Media: 1983
(Preliminary)

	NATIONAL		LOCAL/RETAIL		TOTAL	
	$ Millions	% of Total	$ Millions	% of Total	$ Millions	% of Total
Newspapers	$ 2,707	11.7%	$ 17,625	50.7%	$ 20,332	35.1%
Television	11,805	51.2	4,285	12.3	16,090	27.8
Direct Mail	2,736	11.9	5,450	15.7	8,186	14.2
Radio	1,320	5.7	3,910	11.2	5,230	9.0
Magazines	3,651	15.8	559	1.6	4,210	7.3
Yellow Pages	217	0.9	1,299	3.6	1,516	2.6
Weeklies, Shoppers	41	0.2	1,319	3.8	1,360	2.4
Outdoor	520	2.3	285	0.8	805	1.2
Transit	66	0.3	54	0.2	120	0.2
TOTAL	$ 23,063	100.0%	$ 34,786	100.0%	$ 57,849	100.0%

Source: Newspaper Advertising Bureau

Newspaper Advertising Expenditures[1]
(millions of dollars)

	National	Retail	Classified	Total
1972	$1,062	$ 3,964	1,913	$ 6,938
1974	1,105	4,563	2,174	7,842
1976	1,342	5,668	2,608	9,618
1978	1,541	7,023	3,649	12,214
1980	1,963	8,609	4,222	14,794
1982	2,452	10,390	4,852	17,694

[1] Production cost estimates included.

Source: McCann-Erickson, Inc.; NAB estimates for classified.

Newspaper Insert and Preprint Advertising Volume

	Free-Standing Inserts (Card & Multi-Page) (millions)	Roll-Fed Hi-Fi & Spectacolor (millions)	Total (millions)	Free-Standing Insert Revenue† (thousands)
1973	11,895	905	12,800	NA
1975	15,800	261	16,000	NA
1977	20,101	165	20,266	$1,086,000
1979	27,132	85	27,217	1,776,604
1981	28,708	62	28,770	2,288,542
1982	29,966	*	29,966	2,517,396

†Based on a 12-page tabloid--includes printing and inserting.
*Less than 1% of FSI figure for 1982.

Typical National Insert CPMs for Sunday Newspapers
(Top 100 SMSAs)

	Total Circulation (in 000s)	2 pages	4 pages	8 pages	12 pages
Top 10	16,000	32.32	32.80	37.09	41.39
Top 25	25,000	32.29	32.95	37.21	41.71
Top 50	33,000	32.32	33.34	38.31	43.45
Top 75	37,000	32.40	33.42	38.54	44.15
Top 100	40,000	32.45	33.47	38.69	44.45

Source: Newspaper Advertising Bureau, December 1983.

Data Regularly Distributed By Media Analysis Unit Of The Research Department

Cities in the U.S. with two or more newspapers.

Cumulative circulation and rates of daily newspapers in 300 metropolitan markets necessary to obtain minimum 60% household coverage in each market.

Cumulative circulation and rates of Sunday newspapers in top 300 metropolitan markets necessary to obtain minimum 60% household coverage in each market.

Daily newspapers in top 300 metropolitan markets: households, coverage, circulation, open line rate, cost of 1,000 lines, full page, and 20,000 lines.

Daily and Sunday newspapers with zone edition.

Daily newspapers in top 300 metropolitan markets, ROP color edition.

How much do people spend to read daily and Sunday newspapers, 1945-present.

Media breakdown of U.S. agencies billing $30 million or more.

National advertising expenditures in major media by classification.

Newspaper advertising expenditures.

Newspaper groups--daily--top 300 metropolitan markets.

Newspaper groups--Sunday--top 300 metropolitan markets.

Newspapers in U.S. not accepting beer, wine or liquor advertising.

Newspapers not offering a 2% cash discount.

ROP color premium in top 300 metro markets for 1,000 lines and full page (breakdown by 100 markets--1, 2, and 3 color).

Sunday newspapers in top 300 metro markets: households, coverage, etc.

Total advertising volume in the U.S.--1935 to present--(McCann-Erickson estimates).

U.S. Daily and Sunday newspapers--1945 to present--number and circulation.

Please contact: Economic and Media Analysis Unit (212) 557-1827.

NAB Research Reports

AD READERSHIP

	Member Prices
Air Travel Study (1981)	$ 4.75
Color in Newspaper Advertising: Is It Worth the Money? (1974)	1.50
A Comparison of the Readership of 7- vs. 8-Column National Ads (1972)	1.50
Creative Variables and Ad Readership (1975)	2.00
Do Corporate Ads Get Read? Evidence from a Follow-up Study in 5 Cities (1980)	1.75
Does Corporate Advertising Get Read? (1980)	1.00
Editorial Context: Readership of Men's Interest Ads (Tires) on Sports Pages vs. General News Pages (1972)	1.00
The Effects of Placing Ads for the Same Product Category on the Same Page: A Field Experiment (1976)	3.00
An Evaluation of Changes in Ad Readership Over Time, and Technical Appendix (1972)	2.00
How Newspaper Ads Select Customers (1980)	2/1.00
Norms for the Readership of National Ads and an Analysis of the Readership Effects of Ad Size (1972)	1.00
Readership of Coupon vs. No-Coupon Ads (1974)	1.00
Readership of Small Space National Ads in Newspapers (1968)	1.00
Reliability of Individual Starch Ad Scores (1972)	1.00
Research Facts on Position, Timing and Creativity in Newspaper Advertising (1976)	1.50
Retail Inserts in Daily Newspapers: A Four-Market Readership Study (1976)	2.50
A Study of Blacks in Newspaper Ads (1976)	2.00
A Summary of Research on the Form of Advertising: Layout, Type-Size, Typefaces, Forms of Copy (1971)	1.00
Yardstick of Accumulative Newspaper Ad Readership	2/1.00

CLASSIFIED ADVERTISING

Classified Advertising: Readership and Use Among Purchasers of General Merchandise and Recreation and Leisure Items (1975)	$ 2.00
An Eight-Market Study of Recent New Home Buyers (1978)	2.75
Help Wanted Advertising: A National Mail Survey of New Job Holders (1977)	2.50
Home Buyers and Renters (1976)	2.50

NAB Research Reports (continued)

CLASSIFIED ADVERTISING (continued)

	Member Prices
Job Search and Recruitment Advertising Study: Engineers and Computer Professionals (1983)	$ 5.00
A National Study of Classified Advertising Readership and Prospect Status (1980)	3.00
Newspaper Real Estate Sections (1978)	2.00
A Pilot Study of Classified Advertising Managers' Opinions About the Operations and Prospects of Classified Advertising (1977)	1.50
Principles for Writing Effective Classified Ads for Private Homes (1968)	2.00
Which Ad Pulled Better? Employment Classified Ads (1974)	1.00

COMPETITIVE MEDIA

	Member Prices
The Believability of Advertising in Five Media: Results from a Recent Nationwide Survey (1981)	$ 2.00
A Comparative Study of Dailies and Community Weeklies in the St. Louis Metropolitan Area (1973)	2.00
Dailies, Shoppers and Pennysavers: A Four-Market Study of Readership and Attitudes (1978)	3.00
Direct Mail (1977)	2.00
National Study of Direct Mail: An Inventory of Household Mail and How it is Treated (1983)	7.50
Newspapers and Direct Mail: A Study of Advertising Believability (1982)	.50
A Pilot Study of Relative Effectiveness of Different Media Mixes in Launching a Motion Picture (1975)	1.50
A Three-City Survey of Recall of Outdoor Advertising (1976)	1.50
Trends in TV Commercial Recall, 1965-1981: A Report on Three Surveys of Prime-Time Network Viewers (1981)	2.50

NAB Research Reports (continued)

MISCELLANEOUS RESEARCH REPORTS

	Member Prices
A Five-Market Telephone Survey of "Big Ticket" Purchases (1976)	$ 1.00
Key Facts About Newspapers and Advertising 1984 (1984)	1.50
The Young Homemakers (1974)	4.00
Women, Work and Markets of the 80's (1979)	4.50

NEWSPAPER READERSHIP

Average Weekday and Average Sunday/weekend Newspaper Coverage of Product and Service Users (1982)	$ 3.00
1983 Daily Newspaper Readership Demographic Tables for Total U.S. and Top 100 Metros and Top 100 DMAs (SMRB) (1983)	3.00
1983 Sunday/weekend Newspaper Readership Demographic Tables for Total U.S. and Top 100 Metros and Top 100 DMAs (SMRB) (1983)	3.00
Daily Newspaper: Twelve-Issue Reach and Frequency Tables (SMRB) (1981)	3.00
Local Newspaper Audiences--Seventh Edition, 1979 (1979)	15.00
A National Survey of the Content and Readership of the American Newspaper (1972)	2.00
Newspaper Net Reach Estimator	1.00
The Readership of Newspaper Pages and Sections: Demographic Segments (SMRB) (1983)	2.00

REPORTS ON SPECIFIC PRODUCTS AND SERVICES

Air Travel Study (1981)	$ 4.75
1980 Automotive Study: Car Buying Plans and Attitudes of Recent New Car Buyers (1980)	4.75
Average Weekday and Average Sunday/weekend Newspaper Coverage of Product and Service Users (1982)	3.00
Beer Brand Awareness, TV Viewing and Daily Newspaper Readership Among Male Beer Drinkers (1976)	2.00
Books and Leisure Time (1974)	2.00
Business Air Travel Decisions (1975)	2.00

NAB Research Reports (continued)

REPORTS ON SPECIFIC PRODUCTS AND SERVICES (continued)	Member Prices
Eat and Run: A National Survey of Fast Food Patronage (1978)	$ 3.00
The Emerging New Food Shopper (1982)	3.50
Food Shopping and Eating Patterns (1978)	6.00
Food Shopping in One-Person Households (1983)	2.75
A Four-Market Survey of Financial Service Users (1977)	3.00
Movie Going and Leisure Time (1974)	2.00
Movie Going in the Metropolis (1978)	2.75
Movie Going in the United States and Canada (1981)	2.50
The New American Home (1981)	2.50
1980 Post-Election Automotive Study (1981)	5.00
Shoppers On The Move (1975)	2/1.00
Shoppers On The Move: Eating an Evening Meal in a Restaurant (1975)	1.00
Shoppers On The Move: Movie Going and Movie Goers (1975)	2.00
Sunday Travel Sections and Vacation Travel Prospects: An Eight-Market Study (1980)	4.50
Supermarket Shoppers' Reactions to Future Possibilities (1980)	6.75
A Three-City Study of Beer Drinking and Lifestyle (1973)	2.00
Travel and Leisure Time (1974)	2.00
Wine Drinking and Lifestyle--A Three-City Survey (1973)	2.00
Women and Car Buying (1979)	3.00
Young Men and New Cars Revisited (1974)	2.00
Young Singles and Vacation Travel (1978)	2.75

RETAIL

The Double Dividend: A Study of How Advertising Works for Department and Discount Stores (1977)	$ 2.50
Eat and Run: A National Survey of Fast Food Patronge (1978)	3.00
The Emerging New Food Shopper (1982)	3.50

NAB Research Reports (continued)

RETAIL (continued)

	Member Prices
Food Shopping and Eating Patterns (1978)	$ 6.00
Food Shopping in One-Person Households (1983)	2.75
The Future of Retailing (1973)	1.00
How America Shops and Buys (1983)	4.00
The New American Home (1981)	2.50
The Newspaper Advertising Bureau's UPC Databank--A Preliminary Look (1976)	.50
Retail Inserts in Daily Newspapers: A Four-Market Readership Study (1976)	2.50
Shoppers On The Move (1975)	2/1.00
Shoppers On The Move: Eating an Evening Meal in a Restaurant (1975)	1.00
Supermarket Ads Move Merchandise (1981)	4/1.00
Supermarket Shoppers' Reactions to Future Possibilities (1980)	6.75
Women and Fashion: 1981 Study of Clothes Buying Attitudes and Behavior (1981)	4.50

SALES EFFECTS OF ADVERTISING

Color in Newspaper Advertising: Is It Worth the Money? (1974)	$ 1.50
Coupon Facts: Findings on Cents-Off Coupon Usage and Users (1982)	2.00
The Double Dividend: A Study of How Advertising Works for Department and Discount Stores (1977)	2.50
The Newspaper Advertising Bureau's UPC Databank--A Preliminary Look (1976)	.50
A Pilot Study of Relative Effectiveness of Different Media Mixes in Launching a Motion Picture (1975)	1.50
The Sales Effects of National Newspaper Advertising for Two Package Goods Products (1978)	1.50
Supermarket Ads Move Merchandise (1981)	4/1.00

NAB Research Reports (continued)

RESEARCH NOTES	Member Prices
No. 1--A Second Look at CPM's: Column Width and SAU's (1982)	$ .50
No. 2--Daily Newspaper Coverage of People in High-Level Occupations (1982)	.50
No. 3--The Uses of Readers-Per-Copy Estimates (1982)	.50
No. 4--Television Program Listings: Newspapers vs. TV Guide (1982)	.50
No. 5--Moviegoers Assess Their Movie Theatres (1982)	.50
No. 6--The Newspaper's Potential as a Direct Response Medium (1983)	.50
No. 7--Yellow Pages Usage (1983)	.50
No. 8--How to Measure Weekday Newspaper Audiences (1983)	.50

NOTE: In some cases the same research study is listed under two categories.

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Research Report

1180 Avenue of the Americas, New York, NY 10017
Newspaper Advertising Bureau, Inc.

ESTIMATING DAILY NEWSPAPER REACH AND FREQUENCY FOR MAJOR DEMOGRAPHIC SEGMENTS

This study is one of a series of marketing research reports prepared by the Newspaper Advertising Bureau, Inc., as a service to the newspaper business and its advertisers. These reports provide a basis for making recommendations for the efficient use of the newspaper medium to meet the specific marketing needs of individual companies.

June 1984

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INTRODUCTORY NOTE

Well executed newspaper audience research yields reliable data on the size of the average weekday audience and the overall turnover rate, but the level of turnover found for particular audience segments may be subject to excessive variation. The main point of the estimating procedure suggested in Section II of this report is to provide a more stable basis for estimating net reach and average frequency among key demographic segments. This procedure is based on the averaging of turnover rates found for a large number of individual newspapers.

It is assumed that any daily newspaper using this estimating procedure has current survey information on average weekday readership and overall turnover rate. The procedure is especially suitable for newspapers researched in the syndicated studies cited in Section II.

Grateful acknowledgments are due to Scarborough Research Corporation and to Simmons Market Research Bureau for granting full access to their research findings on local newspaper markets. Harold Israel of Scarborough and Edward Barz of Simmons made many valuable editorial suggestions.

The report was prepared by Charles Lehman of NAB's Research Department.

I. A PRIMER ON REACH AND FREQUENCY

What Does "Reach and Frequency" Mean?

"Reach and frequency" is a shortened version of "net reach and average frequency", often abbreviated to the irreducible form "R&F".[1] However expressed, the phrase denotes a pair of figures, the first of which indicates the percentage of a target population exposed to a medium or advertising campaign over a given number of issues, programs or advertising insertions. The second figure indicates the number of times the average person in the audience is exposed.

"Gross rating points" or "GRPs" is a related concept that originated in broadcasting. The GRP concept reduces a pair of R&F figures to a single figure: Net reach multiplied by average frequency equals GRPs. A net reach of 25% with an average frequency of 4.0 equals 100 GRPs. In words, the concept of gross rating points is sometimes defined as the number of exposures or impressions per 100 people.

Reducing a pair of R&F figures to a single measure can bury critically important information. A total of 100 GRPs can mean reaching 50% of the population an average of two times each, 25% an average of four times, or 10% an average of ten times. Nevertheless, audience estimates expressed only in GRPs are widely accepted by advertisers.

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1) "Frequency" can also refer to distribution; that is, the number or percentage in the total audience reading one out of five issues, two out of five issues, etc.

Why Is Reach and Frequency Important?

Historically, retail newspaper advertisers have shown little interest in the concept of reach and frequency. Instead, they have usually expected a single newspaper ad to achieve a particular objective at a single point in time. Since this objective typically involves the movement of a specific volume of goods or the more general goal of building store traffic, retailers can judge the effectiveness of their newspaper advertising in a fairly direct way. Even when there is no systematic attempt to measure advertising effects, retailers have a good "feel" for the results they obtain.

Among national advertisers and many kinds of service companies, the ascendancy of "image" advertising has created the need for different measures of media effectiveness. Users of image advertising routinely commit themselves to a long-term campaign. They have no practical way to measure the effect of a single message at a given point in time, so they need a means of estimating reach and frequency over time.

One of the biggest problems faced by newspapers in building national advertising volume is that many national advertisers think of the newspaper only as a "promotion" medium used to distribute cents-off coupons. This perception may be so ingrained that the suitability of newspapers for image advertising campaigns is rarely considered.

In order to promote the newspaper as a medium for image advertising, it is essential to have R&F estimates for major demographic segments and varying market conditions. This document uses data from syndicated research by Scarborough and Simmons as a basis for such estimates.

How Are R&F Figures Obtained?

Most reach and frequency figures are estimates based on certain theoretical assumptions. R&F figures beyond two issues or two insertions are usually developed by applying a Beta binomial[1] to data obtained from a sample of respondents interviewed on two separate dates about their recent media exposure.

R&F figures based on a formula are hardly ideal, but there are no practical ways to measure reach and frequency directly. Attempting more than two interviews with each respondent would be very expensive, especially since each successive wave of interviewing would encounter a higher refusal rate. A single interview covering media exposure over a long period puts too many demands on memory. A diary approach also presents problems because many respondents are likely to wait until the end of the dairy period before making any entries.

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1) The Beta binomial formula is used mainly as a "algorithm" or set of step-by-step instructions for computers. However, two algebraic formulas for estimating reach and frequency are described in the Appendix.

Assumptions of R&F Formulas

Regardless of the particular binomial expansion used (e.g., Beta, Metheringham), R&F formulas involve several assumptions that users should keep in mind. Specifically, it is assumed that:

1) Each issue reaches an identical number of people.

2) Starting points and intervals between issues are irrelevant. If the formula specifies that five issues have a net reach of 50% with an average frequency of 3.8, these figures apply regardless of which weekdays are involved and how they are distributed over time.

3) A respondent's behavior over two interviews is predictive of future behavior. Someone who reports reading "yesterday's" newspaper in each of two interviews is much more likely to read a third issue than is someone who failed to report reading in either interview.

How Well Do R&F Models Fit The Daily Newspaper Audience?

The accuracy of the figures generated by R&F formulas can be expected to vary from newspaper to newspaper. R&F figures are probably closest to the mark for dailies with a minimum of single-copy sales and a low turnover rate. When single-copy sales represent a high proportion of a newspaper's total circulation, R&F estimates may not be very useful, particularly if total circulation varies a great deal from one weekday to another.

What Is Turnover Rate and How Is It Measured?

The turnover rate is an essential input in the binomial expansion formulas used to estimate reach and frequency. Turnover is a concept that can be applied to any medium. It might be defined as the proportion of the single-issue (or single-program) audience added by a second issue or program. Mathematically, a newspaper's turnover rate is:

$$\frac{\text{(two-issue reach)} - \text{(one-issue reach)}}{\text{one-issue reach}}$$

Thus, a newspaper with a one-issue reach of 10,000 and a two-issue reach of 12,500 has a turnover rate of 25%.

The higher a newspaper's coverage[1] of the population, the lower its turnover rate is likely to be, because there is less opportunity for turnover. For example, if one issue reaches 100% of the population, there can be no turnover. Turnover is also affected by the competitive situation in a market. The turnover rate is usually higher in a market which has two competitive dailies vying for readers than in a market with two dailies under common ownership. Even in extreme cases, the overall turnover rate for a daily newspaper rarely exceeds 50%.

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1) Wherever it appears in this report, "coverage" is used to denote one-issue reach, as distinguished from multiple-issue reach.

Turnover Rates Vary Among Demographic Segments

National data on daily newspaper readership collected over a period of years in the "Study of Media and Markets" by Simmons Market Research Bureau show that turnover rates for particular segments can be higher or lower than the overall rate for the total adult audience. However, the "Media and Markets" turnover rates cannot be used in R&F formulas applied to individual newspapers because these rates refer to the readership of "any daily newspaper".

The turnover rate for a specific newspaper is always higher than the turnover rate for "any daily newspaper". Suppose that a particular respondent is interviewed on two separate dates: In the first interview he reports reading the Blade; in the second interview, the Tribune. This respondent represents turnover for both the Blade and the Tribune, but not for "any daily newspaper". Section II of this report shows average (mean) turnover rates for individual newspapers in the Scarborough and Simmons research on local markets.

Other research[1] suggests that turnover rates are lowest among newspaper subscribers and highest among single-copy buyers and pass-along readers.

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1) For example, see "Circulation and Home Delivery Patterns", Newspaper Advertising Bureau, November 1983.

Why Don't R&F Tables Cover Both Weekday and Sunday?

There is more than one kind of R&F formula. The tables in Section III of this report apply only to a single medium. These tables can be used for either weekday estimates or Sunday estimates, but not for the combination of weekday and Sunday editions.

In effect, weekday and Sunday editions of the same newspaper must be treated as two separate media. Weekday and Sunday editions usually have different circulation bases, so that the turnover rate from weekday to Sunday is unlikely to be the same as the turnover rate from weekday to weekday or Sunday to Sunday.

R&F formulas designed for a "media mix" could be applied to a newspaper's weekday and Sunday editions, but these would have to be tailored to each individual need. No general set of tables could cover all possible combinations and permutations.

However, the tables in Section III can be applied to any single print or broadcast medium so long as the coverage level and turnover rate are known and so long as these fall within the limits covered by the tables.

A Few More Words About GRPs---

As a matter of convenience each of the fourteen tables in Section III of this report includes GRPs as well as R&F figures. An examination of these tables may suggest that in many cases the GRP figures are slightly "off". (That is, reach multiplied by average frequency yields a result a few points higher or lower than the GRP figure shown directly below.)

In fact, the GRP figures are correct; these figures do not vary with turnover rates. Apparent discrepancies simply reflect the result of rounding the net reach and average frequency figures.

The way in which GRPs behave can be explained by the first assumption of the R&F model: "Each issue reaches an identical number of people". This means that, regardless of turnover rate, total GRPs for any number of issues can be determined simply by multiplying that number by the coverage level. Five issues of a newspaper with 25% coverage will always produce 125 GRPs; ten issues of a newspaper with 50% coverage will always produce 500 GRPs; etc.

II. USING AVERAGE TURNOVER RATES FROM SYNDICATED RESEARCH FOR R&F ESTIMATES

Scarborough and Simmons Results Agree

Turnover is a fairly sensitive measure subject to wide variation, especially among demographic subgroups that are difficult to recontact. For this reason, individual newspaper turnover rates found by Scarborough (for SMSAs and NECMAs)[1] and by Simmons (for ADIs)[2] have been combined into average rates for total adult readers, by major demographic segments and census regions (Tables 1 and 2).

An examination of these tables shows that the two syndicated services are in close agreement, even though the tables refer to different market definitions and different points in time.[3] Both Simmons and Scarborough figures indicate that the turnover rate is lowest in the North Central region and highest in the West. Both services find that turnover rates are higher for adults under 25 years old than for older readers. Both of them find little or no difference in the turnover rates for male and female readers, etc.

---

1) SMSAs - Standard Metropolitan Statistical Areas
NECMAs - New England Consolidated Metropolitan Areas

2) ADIs - Area of Dominant Influence, a measure developed by Arbitron and tied to TV coverage.

3) Seventy-eight daily newspapers appear in both the Simmons ADI list and the Scarborough SMSA list. (See Appendix for names of newspapers used.)

Table 1

Average (Mean) Turnover Rates for Major Daily Newspapers in 52 Top Metropolitan Areas, by Demographics*

	Total U.S.	North-east	North Central	South	West
Total adult readers	25%	24%	21%	27%	29%
By Sex:					
Male	25%	24%	21%	26%	30%
Female	25	24	22	27	28
By Age:					
18-24 years	34%	31%	29%	37%	38%
25-54 years	26	24	22	27	30
55 years or older	20	21	15	21	23
By Education:					
College graduate	23%	22%	19%	22%	28%
1-3 years college	25	24	21	26	28
High school graduate	26	25	22	27	29
Some high school or less	30	28	22	35	32
By Occupation:					
Professional, manager	24%	22%	21%	23%	29%
Clerical, sales	26	25	21	28	30
Other employed	29	27	24	32	33
Not employed	24	24	20	26	26
By Household Income:					
$35,000 & over	24%	23%	18%	24%	29%
$20,000-$35,000	25	23	21	26	28
Under $20,000	27	26	23	30	30
Base: Total daily newspapers = 100%	(100)	(20)	(23)	(33)	(24)

Source: Scarborough's National Newspaper Audience Ratings (1983), SMSA/Local Market Summary Report

* All turnover rates used in this analysis refer to individual editions. Those cases in which figures were available only for morning/evening combinations have been excluded.

(Analysis by Newspaper Advertising Bureau, 1984)

Table 2

Average (Mean) Turnover Rates for Major Daily Newspapers In Top United States ADIs, by Demographics

	Total U.S.	North-east	North Central	South	West
Total adult readers	30%	28%	27%	30%	34%
By Sex:					
Male	30%	28%	27%	30%	34%
Female	30	28	26	30	34
By Age:					
18-24 years	37%	34%	33%	41%	40%
25-54 years	30	28	28	31	35
55 years or older	24	25	21	24	28
By Education:					
College graduate	28%	30%	25%	25%	31%
1-3 years college	30	30	27	30	33
High school graduate	30	27	28	32	35
Some high school or less	32	29	27	36	35
By Occupation:					
Professional, manager	29%	29%	26%	27%	33%
Clerical, sales	30	29	28	29	35
Other employed	34	31	31	37	38
Not employed	28	27	24	30	31
By Household Income:					
$35,000 & over	27%	27%	25%	26%	32%
$20,000 - $34,000	30	28	28	31	35
Under $20,000	31	29	27	34	34
Base: Number of daily Newspapers = 100$	(93)	(21)	(23)	(25)	(24)

Source: Simmons "1982 National Study of Local Newspaper Ratings"

* All turnover rates used in this analysis refer to individual editions. Those cases in which figures were available only for morning/evening combinations have been excluded.

(Analysis by newspaper Advertising Bureau, 1984)

In fact, the Scarborough and Simmons findings agree even more closely than Tables 1 and 2 indicate, because turnover rates for major newspapers tend to be higher in their ADIs than in their SMSAs. Table 3 shows this kind of relationship in both the Simmons and the Scarborough data.

Table 3

Daily Newspaper Turnover Rates for ADIs and SMSAs/NECMAs

	Simmons (1982)	Scarborough (1983)
Mean rate in ADIs	30%	28%
Mean rate in SMSAs/NECMAs	27%	25%

In the San Diego market, the boundaries of the SMSA and ADI are coterminous. In all other cases, the ADI is larger than any corresponding SMSA, but the relative areas and populations of these two geographic units vary from case to case.

Estimating Turnover Rates for Demographic Segments

Suppose that the overall turnover rate for a newspaper included in the Scarborough or Simmons research is 30%, but the turnover rates found for particular demographic segments show extreme variability or patterns contrary to those seen in Tables 1 and 2. What is the best estimate of the true level of turnover in these segments?

Table 4

Turnover Rate Factors for Daily Newspapers Among Major Demographic Segments

	Scarborough (SMSAs)	Simmons (ADIs)	Combined Average
Total adult readers	1.00	1.00	1.00
By Sex:			
Male	1.00	1.00	1.00
Female	1.00	1.00	1.00
By Age:			
18-24 years	1.36	1.23	1.30
25-54 years	1.04	1.00	1.02
55 years or older	.80	.80	.80
By Education:			
College graduate	.92	.93	.93
1-3 years college	1.00	1.00	1.00
High school graduate	1.04	1.00	1.02
Some high school or less	1.20	1.07	1.14
By Occupation:			
Professional, manager	.96	.97	.97
Clerical, sales	1.04	1.00	1.02
Other employed	1.16	1.13	1.15
Not employed	.96	.93	.95
By Household Income:			
$35,000 & over	.96	.90	.93
$20,000 - $35,000	1.00	1.00	1.00
Under $20,000	1.08	1.03	1.06

Table 4 expresses the average turnover rate for key demographic segments relative to the overall turnover rate. (That is, the rate for total adult readers is set at 1.00 regardless of the absolute level.)

In the example cited above, it is reasonable to expect that a newspaper with an overall turnover rate of 30% might have a turnover rate of 28% (i.e., 30% x .93) among college graduates and a turnover rate of 34% (30% x 1.14) among those with less than a high school education.

It is conceivable, of course, that the turnover rate found for a particular demographic segment in an individual newspaper's survey is the true rate even if it is much higher or lower than the overall rate. However, the regularity of the patterns seen in Tables 1 and 2 strongly suggest that extreme departures from these patterns are likely to be the result of sampling errors.

Estimating Reach and Frequency

Once the coverage level and turnover rate have been determined, it is a simple matter to look up net reach, average frequency and gross rating points for two to five issues from the tables in Section III. For example, if one weekday issue of Newspaper X reaches 25% of the college graduates in its SMSA, and if 28% is the estimated turnover rate for this segment, than five issues should reach 41% of the college graduates in the SMSA with an average frequency of 3.1 times, to produce 125 GRPs.

III. FIVE-ISSUE REACH & FREQUENCY TABLES FOR COVERAGE LEVELS OF 10% TO 55%, AND TURNOVER RATES OF 10% TO 38%

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

10%

		Number of Issues:			
One Issue Reach:		Two	Three	Four	Five
10%	Reach	11%	11%	12%	12%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	20	30	40	50
15%	Reach	16%	17%	18%	18%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	30	45	60	75
20%	Reach	22%	23%	24%	24%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	40	60	80	100
25%	Reach	28%	29%	30%	30%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	50	75	100	125
30%	Reach	33%	35%	36%	36%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	60	90	120	150
35%	Reach	39%	40%	42%	42%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	70	105	140	175
40%	Reach	44%	46%	47%	48%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	80	120	160	200
45%	Reach	50%	52%	53%	54%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	90	135	180	225
50%	Reach	55%	58%	59%	60%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	100	150	200	250
55%	Reach	61%	63%	65%	66%
	Avg. Freq.	1.8	2.6	3.4	4.1
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

12%

		Number of Issues:			
One Issue Reach:		Two	Three	Four	Five
10%	Reach	11%	12%	12%	13%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	20	30	40	50
15%	Reach	17%	18%	18%	19%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	30	45	60	75
20%	Reach	22%	24%	25%	25%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	40	60	80	100
25%	Reach	28%	30%	31%	31%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	50	75	100	125
30%	Reach	34%	36%	37%	38%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	60	90	120	150
35%	Reach	39%	41%	43%	44%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	70	105	140	175
40%	Reach	45%	47%	49%	50%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	80	120	160	200
45%	Reach	50%	53%	55%	56%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	90	135	180	225
50%	Reach	56%	59%	61%	62%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	100	150	200	250
55%	Reach	62%	65%	67%	69%
	Avg. Freq.	1.8	2.5	3.3	4.0
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

14%

One Issue Reach:		Number of Issues: Two	Three	Four	Five
10%	Reach	11%	12%	13%	13%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	20	30	40	50
15%	Reach	17%	18%	19%	20%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	30	45	60	75
20%	Reach	23%	24%	25%	26%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	40	60	80	100
25%	Reach	29%	30%	32%	33%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	50	75	100	125
30%	Reach	34%	36%	38%	39%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	60	90	120	150
35%	Reach	40%	42%	44%	45%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	70	105	140	175
40%	Reach	46%	49%	50%	52%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	80	120	160	200
45%	Reach	51%	55%	57%	58%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	90	135	180	225
50%	Reach	57%	61%	63%	64%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	100	150	200	250
55%	Reach	63%	67%	69%	71%
	Avg. Freq.	1.8	2.5	3.2	3.9
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

16%

		Number of Issues:			
One Issue Reach:		Two	Three	Four	Five
10%	Reach	11%	13%	13%	14%
	Avg. Freq.	1.7	2.4	3.1	3.7
	GRPs	20	30	40	50
15%	Reach	17%	19%	20%	20%
	Avg. Freq.	1.7	2.4	3.1	3.7
	GRPs	30	45	60	75
20%	Reach	23%	25%	26%	27%
	Avg. Freq.	1.7	2.4	3.1	3.7
	GRPs	40	60	80	100
25%	Reach	29%	31%	33%	34%
	Avg. Freq.	1.7	2.4	3.1	3.7
	GRPs	50	75	100	125
30%	Reach	35%	37%	39%	40%
	Avg. Freq.	1.7	2.4	3.1	3.7
	GRPs	60	90	120	150
35%	Reach	41%	44%	46%	47%
	Avg. Freq.	1.7	2.4	3.1	3.7
	GRPs	70	105	140	175
40%	Reach	46%	50%	52%	54%
	Avg. Freq.	1.7	2.4	3.1	3.7
	GRPS	80	120	160	200
45%	Reach	52%	56%	58%	60%
	Avg. Freq.	1.7	2.4	3.1	3.8
	GRPs	90	135	180	225
50%	Reach	58%	62%	65%	66%
	Avg. Freq.	1.7	2.4	3.1	3.8
	GRPs	100	150	200	250
55%	Reach	64%	68%	71%	73%
	Avg. Freq.	1.7	2.4	3.1	3.8
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

18%

		Number of Issues:			
One Issue Reach:		Two	Three	Four	Five
10%	Reach	12%	13%	13%	14%
	Avg. Freq.	1.7	2.4	3.0	3.6
	GRPs	20	30	40	50
15%	Reach	18%	19%	20%	21%
	Avg. Freq.	1.7	2.4	3.0	3.6
	GRPs	30	45	60	75
20%	Reach	24%	26%	27%	28%
	Avg. Freq.	1.7	2.4	3.0	3.6
	GRPs	40	60	80	100
25%	Reach	30%	32%	34%	35%
	Avg. Freq.	1.7	2.4	3.0	3.6
	GRPs	50	75	100	125
30%	Reach	35%	38%	40%	42%
	Avg. Freq.	1.7	2.4	3.0	3.6
	GRPs	60	90	120	150
35%	Reach	41%	45%	47%	48%
	Avg. Freq.	1.7	2.4	3.0	3.6
	GRPs	70	105	140	175
40%	Reach	47%	51%	53%	55%
	Avg. Freq.	1.7	2.4	3.0	3.6
	GRPs	80	120	160	200
45%	Reach	53%	57%	60%	62%
	Avg. Freq.	1.7	2.4	3.0	3.6
	GRPs	90	135	180	225
50%	Reach	59%	64%	66%	69%
	Avg. Freq.	1.7	2.4	3.0	3.7
	GRPs	100	150	200	250
55%	Reach	65%	70%	73%	75%
	Avg. Freq.	1.7	2.4	3.0	3.7
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

20%

		Number of Issues:			
One Issue Reach:		Two	Three	Four	Five
10%	Reach	12%	13%	14%	14%
	Avg. Freq.	1.7	2.3	2.9	3.5
	GRPs	20	30	40	50
15%	Reach	18%	20%	21%	22%
	Avg. Freq.	1.7	2.3	2.9	3.5
	GRPs	30	45	60	75
20%	Reach	24%	26%	28%	29%
	Avg. Freq.	1.7	2.3	2.9	3.5
	GRPs	40	60	80	100
25%	Reach	30%	33%	35%	36%
	Avg. Freq.	1.7	2.3	2.9	3.5
	GRPs	50	75	100	125
30%	Reach	36%	39%	41%	43%
	Avg. Freq.	1.7	2.3	2.9	3.5
	GRPs	60	90	120	150
35%	Reach	42%	46%	48%	50%
	Avg. Freq.	1.7	2.3	2.9	3.5
	GRPs	70	105	140	175
40%	Reach	48%	52%	55%	57%
	Avg. Freq.	1.7	2.3	2.9	3.5
	GRPs	80	120	160	200
45%	Reach	54%	59%	62%	64%
	Avg. Freq.	1.7	2.3	2.9	3.5
	GRPs	90	135	180	225
50%	Reach	60%	65%	68%	71%
	Avg. Freq.	1.7	2.3	2.9	3.6
	GRPs	100	150	200	250
55%	Reach	66%	71%	75%	77%
	Avg. Freq.	1.7	2.3	2.9	3.6
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

22%

One Issue Reach:		Number of Issues:			
		Two	Three	Four	Five
10%	Reach	13%	14%	14%	15%
	Avg. Freq.	1.6	2.2	2.8	3.4
	GRPs	20	30	40	50
15%	Reach	18%	20%	21%	22%
	Avg. Freq.	1.6	2.2	2.8	3.4
	GRPs	30	45	60	75
20%	Reach	24%	27%	29%	30%
	Avg. Freq.	1.6	2.2	2.8	3.4
	GRPs	40	60	80	100
25%	Reach	31%	34%	36%	37%
	Avg. Freq.	1.6	2.2	2.8	3.4
	GRPs	50	75	100	125
30%	Reach	37%	40%	43%	44%
	Avg. Freq.	1.6	2.2	2.8	3.4
	GRPs	60	90	120	150
35%	Reach	43%	47%	50%	52%
	Avg. Freq.	1.6	2.2	2.8	3.4
	GRPs	70	105	140	175
40%	Reach	49%	53%	56%	59%
	Avg. Freq.	1.6	2.3	2.8	3.4
	GRPs	80	120	160	200
45%	Reach	55%	60%	63%	66%
	Avg. Freq.	1.6	2.3	2.9	3.4
	GRPs	90	135	180	225
50%	Reach	61%	67%	70%	72%
	Avg. Freq.	1.6	2.3	2.9	3.5
	GRPs	100	150	200	250
55%	Reach	67%	73%	77%	79%
	Avg. Freq.	1.6	2.3	2.9	3.5
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

24%

		Number of Issues:			
One Issue Reach:		Two	Three	Four	Five
10%	Reach	13%	14%	15%	15%
	Avg. Freq.	1.6	2.2	2.7	3.3
	GRPs	20	30	40	50
15%	Reach	19%	21%	22%	23%
	Avg. Freq.	1.6	2.2	2.7	3.3
	GRPs	30	45	60	75
20%	Reach	25%	28%	29%	31%
	Avg. Freq.	1.6	2.2	2.7	3.3
	GRPs	40	60	80	100
25%	Reach	31%	34%	37%	38%
	Avg. Freq.	1.6	2.2	2.7	3.3
	GRPs	50	75	100	125
30%	Reach	37%	41%	44%	46%
	Avg. Freq.	1.6	2.2	2.8	3.3
	GRPs	60	90	120	150
35%	Reach	43%	48%	51%	53%
	Avg. Freq.	1.6	2.2	2.8	3.3
	GRPs	70	105	140	175
40%	Reach	50%	55%	58%	60%
	Avg. Freq.	1.6	2.2	2.8	3.3
	GRPs	80	120	160	200
45%	Reach	56%	61%	65%	68%
	Avg. Freq.	1.6	2.2	2.8	3.3
	GRPs	90	135	180	225
50%	Reach	62%	68%	72%	74%
	Avg. Freq.	1.6	2.2	2.8	3.4
	GRPs	100	150	200	250
55%	Reach	68%	75%	78%	81%
	Avg. Freq.	1.6	2.2	2.8	3.4
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

26%

		Number of Issues:			
One Issue Reach:		Two	Three	Four	Five
10%	Reach	13%	14%	15%	16%
	Avg. Freq.	1.6	2.1	2.7	3.2
	GRPs	20	30	40	50
15%	Reach	19%	21%	23%	24%
	Avg. Freq.	1.6	2.1	2.7	3.2
	GRPs	30	45	60	75
20%	Reach	25%	28%	30%	32%
	Avg. Freq.	1.6	2.1	2.7	3.2
	GRPs	40	60	80	100
25%	Reach	32%	35%	38%	39%
	Avg. Freq.	1.6	2.1	2.7	3.2
	GRPs	50	75	100	125
30%	Reach	38%	42%	45%	47%
	Avg. Freq.	1.6	2.1	2.7	3.2
	GRPs	70	105	120	150
35%	Reach	44%	49%	52%	55%
	Avg. Freq.	1.6	2.1	2.7	3.2
	GRPs	70	105	140	175
40%	Reach	50%	56%	60%	62%
	Avg. Freq.	1.6	2.2	2.7	3.2
	GRPs	80	120	160	200
45%	Reach	57%	63%	67%	69%
	Avg. Freq.	1.6	2.2	2.7	3.3
	GRPs	90	140	180	225
50%	Reach	63%	70%	74%	76%
	Avg. Freq.	1.6	2.2	2.7	3.3
	GRPs	100	150	200	250
55%	Reach	69%	76%	80%	83%
	Avg. Freq.	1.6	2.2	2.7	3.3
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

28%

		Number of Issues:			
One Issue Reach:		Two	Three	Four	Five
10%	Reach	13%	14%	15%	16%
	Avg. Freq.	1.6	2.1	2.6	3.1
	GRPs	20	30	40	50
15%	Reach	19%	22%	23%	25%
	Avg. Freq.	1.6	2.1	2.6	3.1
	GRPs	30	45	60	75
20%	Reach	26%	29%	31%	33%
	Avg. Freq.	1.6	2.1	2.6	3.1
	GRPs	40	60	80	100
25%	Reach	32%	36%	39%	41%
	Avg. Freq.	1.6	2.1	2.6	3.1
	GRPs	50	75	100	125
30%	Reach	38%	43%	46%	48%
	Avg. Freq.	1.6	2/1	2.6	3.1
	GRPs	60	90	120	150
35%	Reach	45%	50%	54%	56%
	Avg. Freq.	1.6	2.1	2.6	3.1
	GRPs	70	105	140	175
40%	Reach	51%	57%	61%	64%
	Avg. Freq.	1.6	2.1	2.6	3.1
	GRPs	80	120	160	200
45%	Reach	58%	64%	68%	71%
	Avg. Freq.	1.6	2.1	2.6	3.2
	GRPs	90	135	180	225
50%	Reach	64%	71%	75%	78%
	Avg. Freq.	1.6	2.1	2.7	3.2
	GRPs	100	150	200	250
55%	Reach	70%	78%	82%	85%
	Avg. Freq.	1.6	2.1	2.7	3.2
	GRPs	110	165	220	275

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

30%

One Issue Reach:		Number of Issues:			
		Two	Three	Four	Five
10%	Reach	13%	15%	16%	17%
	Avg. Freq.	1.5	2.0	2.5	3.0
	GRPs	20	30	40	50
15%	Reach	20%	22%	24%	25%
	Avg. Freq.	1.5	2.0	2.5	3.0
	GRPs	30	45	60	75
20%	Reach	26%	29%	32%	34%
	Avg. Freq.	1.5	2.0	2.5	3.0
	GRPs	40	60	80	100
25%	Reach	33%	37%	40%	42%
	Avg. Freq.	1.5	2.0	2.5	3.0
	GRPs	50	75	100	125
30%	Reach	39%	44%	47%	50%
	Avg. Freq.	1.5	2.1	2.5	3.0
	GRPs	60	90	120	150
35%	Reach	46%	51%	55%	58%
	Avg. Freq.	1.5	2/1	2.6	3.0
	GRPs	70	105	140	175
40%	Reach	52%	58%	63%	66%
	Avg. Freq.	1.5	2.1	2.6	3.1
	GRPs	80	120	160	200
45%	Reach	59%	66%	70%	73%
	Avg. Freq.	1.5	2.1	2.6	3.1
	GRPs	90	135	180	225
50%	Reach	65%	73%	77%	80%
	Avg. Freq.	1.5	2.1	2.6	3.1
	GRPs	100	150	200	250
55%	Reach	72%	79%	84%	87%
	Avg. Freq.	1.5	2.1	2.6	3.2
	GRPs	110	165	220	175

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

32%

One Issue Reach:		Number of Issues:			
		Two	Three	Four	Five
10%	Reach	13%	15%	16%	17%
	Avg. Freq.	1.5	2.0	2.5	2.9
	GRPs	20	30	40	50
15%	Reach	20%	23%	25%	26%
	Avg. Freq.	1.5	2.0	2.5	2.9
	GRPs	30	45	60	75
20%	Reach	26%	30%	33%	35%
	Avg. Freq.	1.5	2.0	2.5	2.9
	GRPs	40	60	80	100
25%	Reach	33%	38%	41%	43%
	Avg. Freq.	1.5	2.0	2.5	2.9
	GRPs	50	75	100	125
30%	Reach	40%	45%	49%	51%
	Avg. Freq.	1.5	2.0	2.5	2.9
	GRPs	60	90	120	150
35%	Reach	46%	52%	56%	59%
	Avg. Freq.	1.5	2.0	2.5	3.0
	GRPs	70	105	140	175
40%	Reach	53%	60%	64%	67%
	Avg. Freq.	1.5	2.0	2.5	3.0
	GRPs	80	120	160	200
45%	Reach	59%	67%	72%	75%
	Avg. Freq.	1.5	2.0	2.5	3.0
	GRPs	90	135	180	225
50%	Reach	66%	74%	79%	82%
	Avg. Freq.	1.5	2.0	2.5	3.1
	GRPs	100	150	200	250

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

34%

One Issue Reach:		Number of Issues:			
		Two	Three	Four	Five
10%	Reach	13%	15%	17%	18%
	Avg. Freq.	1.5	2.0	2.4	2.8
	GRPs	20	30	40	50
15%	Reach	20%	23%	25%	27%
	Avg. Freq.	1.5	2.0	2.4	2.8
	GRPs	30	45	60	75
20%	Reach	27%	31%	34%	36%
	Avg. Freq.	1.5	2.0	2.4	2.8
	GRPs	40	60	80	100
25%	Reach	34%	38%	42%	44%
	Avg. Freq.	1.5	2.0	2.4	2.8
	GRPs	50	75	100	125
30%	Reach	40%	46%	50%	53%
	Avg. Freq.	1.5	2.0	2.4	2.9
	GRPs	60	90	120	150
35%	Reach	47%	54%	58%	61%
	Avg. Freq.	1.5	2.0	2.4	2.9
	GRPs	70	105	140	175
40%	Reach	54%	61%	66%	69%
	Avg. Freq.	1.5	2.0	2.4	2.9
	GRPs	80	120	160	200
45%	Reach	60%	68%	73%	77%
	Avg. Freq.	1.5	2.0	2.5	2.9
	GRPs	90	135	180	225
50%	Reach	67%	76%	81%	84%
	Avg. Freq.	1.5	2.0	2.5	3.0
	GRPs	100	150	200	250

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

36%

One Issue Reach:		Number of Issues:			
		Two	Three	Four	Five
10%	Reach	13%	16%	17%	19%
	Avg. Freq.	1.5	1.9	2.3	2.7
	GRPs	20	30	40	50
15%	Reach	20%	24%	26%	28%
	Avg. Freq.	1.5	1.9	2.3	2.7
	GRPs	30	45	60	75
20%	Reach	27%	31%	34%	37%
	Avg. Freq.	1.5	1.9	2.3	2.8
	GRPs	40	60	80	100
25%	Reach	34%	39%	43%	46%
	Avg. Freq.	1.5	1.9	2.3	2.8
	GRPs	50	75	100	125
30%	Reach	41%	47%	51%	54%
	Avg. Freq.	1.5	1.9	2.4	2.8
	GRPs	60	90	120	150
35%	Reach	48%	55%	59%	63%
	Avg. Freq.	1.5	1.9	2.4	2.8
	GRPs	70	105	140	175
40%	Reach	54%	62%	67%	71%
	Avg. Freq.	1.5	1.9	2.4	2.8
	GRPs	80	120	160	200
45%	Reach	61%	70%	75%	79%
	Avg. Freq.	1.5	1.9	2.4	2.9
	GRPs	90	135	180	225
50%	Reach	68%	77%	82%	86%
	Avg. Freq.	1.5	2.0	2.4	2.9
	GRPs	100	150	200	250

Net Reach, Average Frequency and Gross Rating Points Over Five Issues, for a Turnover Rate of:

38%

		Number of Issues:			
One Issue Reach:		Two	Three	Four	Five
10%	Reach	13%	16%	17%	19%
	Avg. Freq.	1.5	1.9	2.3	2.6
	GRPs	20	30	40	50
15%	Reach	21%	24%	27%	28%
	Avg. Freq.	1.5	1.9	2.3	2.6
	GRPs	30	45	60	75
20%	Reach	28%	32%	35%	38%
	Avg. Freq.	1.5	1.9	2.3	2.7
	GRPs	40	60	80	100
25%	Reach	35%	40%	44%	47%
	Avg. Freq.	1.5	1.9	2.3	2.7
	GRPs	50	75	100	125
30%	Reach	41%	48%	52%	56%
	Avg. Freq.	1.5	1.9	2.3	2.7
	GRPs	60	90	120	150
35%	Reach	48%	56%	61%	64%
	Avg. Freq.	1.5	1.9	2.3	2.8
	GRPs	70	105	140	175
40%	Reach	55%	64%	69%	73%
	Avg. Freq.	1.5	1.9	2.3	2.8
	GRPs	80	120	160	200
45%	Reach	62%	71%	77%	80%
	Avg. Freq.	1.5	1.9	2.4	2.8
	GRPs	90	135	180	225
50%	Reach	69%	79%	84%	88%
	Avg. Freq.	1.5	1.9	2.4	2.9
	GRPs	100	150	200	250
55%	Reach	76%	86%	91%	94%
	Avg. Freq.	1.5	1.9	2.4	2.9
	GRPs	110	165	220	275

APPENDIX

Algebraic Reach & Frequency Formulas

Names of Newspapers Used in Analysis

Algebraic Reach & Frequency Formulas

Let C_1 = average-issue audience (percent of population reached)

Let C_2 = two-issue net audience (percent of population reached)

Then,

$$m = C_1 \cdot (C_2 - C_1)/(2C_1 - C_2 - (C_1)^2)$$

$$n = m \cdot (1 - C_1)/C_1$$

and $K = m + n$.

Then the three-issue reach equals:

$$C_3 = C_2 + \frac{n+1}{K+2}(C_2 - C_1)$$ or, for t issues,

$$C_t = C_{t-1} + \frac{n+t-2}{K+t-1}(C_{t-1} - C_{t-2})$$

Similarly, the three-issue frequency is computed as:

R_1^3 (reading one of the three issues) = $3\,(C_3 - C_2)$

$$R_2^3 = \frac{m+3-1}{n+3-3} \cdot \frac{3-2+1}{2} \cdot R_2^3$$ or generalized,

the reach of $R_1^t = t(C_t - C_{t-1})$ and

$$R_s^t = \frac{m+s-1}{n+t-s} \cdot \frac{t-s+1}{s} \cdot R_{s-1}^t$$

NOTE: For use in this formula, C_1 and C_2 must be expressed as decimals rather than percents (e.g., .20, not 20%). Estimates obtained by applying this formula may differ somewhat from figures shown in the computer-generated tables in Section III.

Names of Daily Newspapers Used In Turnover Analysis

Newspapers appearing in both the SMSA analysis (Scarborough) and the ADI analysis (Simmons):

Albany Times-Union
Atlanta Constitution
Atlanta Journal
Baltimore News-American
Baltimore Sun
Baltimore Evening Sun

Bergen Record
Boston Globe
Boston Herald
Chicago Sun-Times
Chicago Tribune
Cincinnati Enquirer

Cincinnati Post
Cleveland Plain Dealer
Dallas Morning News
Dallas Times Herald
Denver Post
Denver Rocky Mountain News

Detroit Free Press
Detroit News
Fort Wroth Star Telegram
Hartford Courant
Houston Chronicle
Houston Post

Indianapolis News
Indianapolis Star
Kansas City Star
Kansas City Times
Long Island Newsday
Los Angeles Daily News

Los Angeles Herald-Examiner
Los Angeles Times
Memphis Commercial Appeal
Memphis Press-Scimitar
Miami Herald
Milwaukee Journal

Milwaukee Sentinel
Minneapolis Star & Tribune
Nashville Banner
Nashville Tennessean
New Orleans Times-Picayune/
States-Item

New York Daily News
New York Post
New York Times
Newark Star-Ledger
Oakland Tribune
Oklahoma City Oklahoman

Oklahoma City Times
Orange County Register
Orlando Sentinel
Philadelphia Inquirer
Philadelphia News
Phoenix Gazette

Phoenix Republic
Pittsburgh Post-Gazette
Pittsburgh Press
Portland Oregonian
Scaramento Bee
Sacramento Union

St. Louis Globe-Democrat
St. Louis Post-Dispatch
St. Paul Dispatch
St. Paul Pioneer Press
St. Petersburg Times
San Antonio Express

San Antonio Light
San Antonio News
San Bernardino Sun
San Francisco Chronicle
San Francisco Examiner
San Diego Tribune

San Diego Union
San Jose Mercury
Schenectady Gazette
Seattle Post-Intelligencer
Seattle Times
Tampa Tribune
Washington Post

Names of Daily Newspapers Used (continued)

Newspapers used only in Simmons analysis of ADIS:

Akron Beacon Journal
Allentown Call
Cleveland Press
Eastbay Today
Escondido Times-Advocate
Gary Post-Tribune
Hammond Times
Long Beach Press-Telegram
New Haven Register
Pontiac Oakland Press

Stockton Record
Troy Times Record
Waterbury Republican
Worcester Gazette
Worcester Telegram

Newspapers used only in Scarborough analysis of SMSAs:

Albany Kinckerbocker News
Birmingham News
Birmingham Post-Herald
Buffalo News
Columbus Citizen-Journal
Columbus Dispatch
Dayton Journal Herald
Dayton News
Des Moines Register
Fort Lauderdale News
Fort Lauderdale Sun-Sentinel
Louisville Courier-Journal
Louisville Times
New London Day
Newport News Press
Newport News Times Herald
Providence Bulletin
Providence Journal
Salt Lake City Deseret News
Salt Lake City Tribune

Sarasota Herald-Tribune
Tacoma News Tribune

Totals

	Number of Newspapers
Used in both analyses	78
Used in Simmons analysis only	15
Used in Scarborough analysis only	22

Research Report

[redacted]

Newspaper Advertising Bureau, Inc. 1180 Avenue of the Americas, New York, New York 10036

Frequent Fliers and Airline Ads

This study is one of a series of marketing research reports prepared by the Newspaper Advertising Bureau, Inc., as a service to the newspaper business and its advertisers. These reports form the basis of recommendations for the efficient use of the newspaper medium to meet the specific marketing needs of individual companies.

August 1984

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INTRODUCTION

The passage of the 1978 Airline Deregulation Act was accompanied by major changes in the airline industry and consequently in the direction of its marketing efforts. A rapid increase in the number of regional carriers offering markedly lower fares led to increasing reliance on promotional marketing strategies, and these promotional campaigns have been effective. However, as airlines began to distinguish themselves more on the basis of cut rates and bonus offers, image advertising became less visible.

The importance of both image and promotional advertising is particularly relevant when directing appeals to the frequent air traveler. Although constituting a small proportion of fliers, these individuals represent a critical market segment. They account for a disproportionately greater number of flights and generate a large proportion of airlines' revenues.

It is the purpose of this study to examine frequent fliers' perceptions of newspaper airline advertisements and the impact those ads might have on possible changes in the decision of what airline to fly. Specifically, it will attempt to determine:

1. whether newspapers are an effective means of reaching frequent fliers
2. whether image campaigns can be successfully implemented in newspapers
3. how image ads compare to promotional advertisements

Long ago newspapers were the mainstay of many high-status-products' advertising campaigns. Lincoln Continental used newspapers for its image advertising in the 1940's, for example. Can newspapers do the same thing in an era of television--and for airlines? Certainly such an idea flies in the face of accepted practices.

To demonstrate such a phenomenon, should it exist, The Newspaper Advertising Bureau stacked the deck against itself in this study.

The study design began with the requirement that the sample be composed of frequent fliers since they are such an important part of the airlines business. They are also likely to be jaded, when it comes to advertising. There are proportionately few such people in the population at large so it was decided to go where they are: in the airports. Airports are hardly the place for a relaxed interview in a normal newspaper reading environment.

Furthermore, airline customers, ideally, should be asked about ads for destinations to which they are traveling so that they have a better chance of reacting as they might react in a normal situation. The design called for interviewing ticketed customers in the gate waiting areas with ads for the customers' destinations as they waited to board.

Doing interviewing under those circumstances is difficult at best (reducing the quality of the information)--carrying around full-size newspaper pages makes it even worse. Therefore the research design called for 8½" x 11" reproductions of the newspaper ads. This inevitably penalizes long-copy ads and many of the image ads are likely to be long-copy ads. So be it.

Ideally, the test should be based on actual ads, not of psuedo-ads created by those outside airline advertising circles. That also poses something of a problem because few airlines currently use newspapers for image advertising. Inevitably, also, those ads will not be absolutely current since a backlog of papers would have to be searched for image ads that meet the criteria.

Another difficulty: particularly in a product field involving large sums of money where there are significant differences in price from vendor to vendor, many a "reasonable" purchaser feels constrained to consider only serious reasons for the purchase. Promotion ads give the customer "serious" reasons--price, destination, schedule, etc. But image ads are just that --ethereal, by nature. Thus indirect measures are more appropriate for image ads than are direct measures such as: would you fly this airline? However, the direct measures are much more likely to prove convincing--if anything will--than the "softer" measures like: how do you feel about flying this airline? Accordingly, the design called for "hard" direct measures, even though they would penalize image ads.

It is unlikely, given this design and the difficulties inherent in the design, that image ads would survive. On the other hand, if they were to come out even close to the effect of promotion ads--which are known to fill seats efficiently--then there is a good chance they could be effective advertising.

II. STUDY DESIGN

Interviews were conducted with a sample of 604 frequent air travelers in New York, Chicago and Los Angeles during February 1984. For the purpose of this study, frequent fliers were defined as individuals who had made 6 or more round trip flights during the past 12 months.

Ticketed passengers were intercepted in the waiting areas of La Guardia Airport in New York, O'Hare Airport in Chicago and Long Beach Airport in Los Angeles. All New York passengers were enroute to Florida; all Chicago passengers, to New York; and all Los Angeles passengers to Chicago. The airlines represented (Pan American, Capitol and Jet America) were limited to those few that had agreed to participate, but additional respondents booked on other carriers (TWA, Eastern, United and American) were also sampled to test the representativeness of our original sample. These additional fliers differed neither in demographic and travel characteristics, nor in their reactions to the ads, from the original pool of respondents.

In each airport, respondents were shown two airline ads that had run previously in a local newspaper and were for flights to their destinations. Fifty respondents were asked questions based on a comparison of 2 promotional ads, 50 were questioned on comparisons of 2 image ads.* The remaining 4 groups of 25 respondents each were asked about different combinations of each of the image ads with each of the promotional ads.

---

* Promotional ads mention factors such as price, schedule, origin/destination while image themes convey a sense of the airline's "personality." There is a discussion later of the validity of the characterization of some ads as promotional and others as image.

Within each group, the order of the ads was alternated--half received ad A first; half B first. Thus each promotional ad received 125 exposures, 50 against another promotional ad and 75 against an image ad. The same was true for each image ad.

COMPARISON GROUP	New York	Chicago	Los Angeles
Promo A vs. Promo B	51	50	49
Image A vs. Image B	50	50	50
Promo B vs. Image A	23	23	26
Promo B vs. Image B	25	26	27
Promo A vs. Image B	24	24	25
Promo A vs. Image A	26	26	29
Total	(199)	(199)	(206)

Field work and tabulations for the study were carried out by Brehl & Associates (Great Neck, N.Y.) under the supervision of the Newspaper Advertising Bureau. Design, questionnaire, analysis and report writing were by Joan Lambe and B. Stuart Tolley of the Newspaper Advertising Bureau.

III. SUMMARY

On all of the three measures used in this study to determine how well newspapers serve airlines, newspapers do well:

- Over 60% of the sample report that they would have looked at the average ad, had they come upon the ad in the newspaper before they made their travel arrangements.
- Among those in the sample who were shown ads that were not for the airline they were about to board or for their favorite airline, almost four out of five (79%) said they would have chosen one of the two advertised airlines, had they come across the ad in the newspaper before they had made their travel arrangements.
- Among those in the sample who were shown ads for either their favorite airline or for the airline they were about to board, most (about 60%) said they would have chosen that airline, had they come across the ad in the paper before making their travel arrangements. However, even among these people, about a quarter said they would have chosen a competing airline instead of their own.

Since prices and schedules play such major roles in selecting an airline, it is not a surprise that when image ads were placed next to promotional ads before the fliers, the promotional ads won out. The passengers were more likely to report that the promotional ads would have been looked at, chosen, and that their main themes were interesting as compared to the image ads for the same destinations. Such paired or dyadic comparisons are appropriate for determining if there is a difference--particularly with measures like these which ask the respondent to choose one (or both) instead of using a scale--but less useful for determining the magnitude of the difference.

When one uses a measure appropriate to determining the extent of the difference, it turns out that the difference on these three measures is about 10% to 15% but when one looks at how well the ads hold on to present customers and how well the ads gain new customers, there is almost no difference at all between the image and the promotional ads. The measure appropriate is the comparison based on a kind of monadic presentation: some people shown only one kind of ad--promotional ads--and others shown only another kind of ad--image ads. Reactions to the image ads are then compared to reactions to the promotional ads.

- For the measure, would have chosen the airline, the difference is six percentage points.
- For the measure, would have looked at the average ad, the difference is nine percentage points.
- For the measure, main theme interesting, the difference in average scores is sixteen percent.
- When one looks at the ranking of the individual ads on these three measures, some of the image ads score higher than some of the promotional ads.
- Among respondents shown promotional ads for their favorite airline, 65% stayed loyal; among respondents shown image ads for their favorite airline, 62% stayed loyal--that's three percentage points difference in implementing a defensive marketing strategy.
- Among respondents shown promotional ads for airlines not their favorites, 80% said they would have chosen one of the two advertised airlines; among respondents shown comparable image ads or an average of

40% for each ad. However, 78% said they would have chosen one of the two advertised airlines, or an average of 39% for each ad. That is a difference of one percentage point period in gaining new customers.

Three out of four of the fliers had read a daily newspaper on all the last five weekdays and about half (48%) found newspapers at least somewhat valuable as a source of information on airline prices.

IV. RESULTS

A. Profile of Sample

Consistent with previous research, our study shows frequent fliers to be a fairly homogeneous group. They are predominantly male (83%) and of relatively high socioeconomic status; 89% had annual household incomes of $25,000 or more and over half had at least $50,000 yearly. Fully three fourths were college graduates and one in three had had some post-graduate education. The majority of respondents held full-time professional/managerial positions. As is typical of frequent air travelers, they were also somewhat older than the general population (median age was 43 years).

There were some slight differences among passengers intercepted at the different airports. Our New York sample was slightly older--fully 15% of these passengers were retired. It also contained a higher proportion of women. These differences, however, reflect the fact that all New York passengers were bound for Florida, and are probably more representative of the vacation traveler.

B. Flight Experience

The passengers we spoke with averaged 18 round trip flights during the past year, although as many as 20% had flown 25 times or more. Business was cited as the primary reason for more than three fourths of all trips taken, although the three cities varied somewhat in this respect. On the average, New York passengers took slightly fewer total trips (16), and a greater proportion of these were for pleasure. Passengers in Los Angeles averaged the greatest number of total as well as business trips.

Though still frequent fliers, passengers who flew mainly for pleasure made fewer flights during the past year than did those flying for business reasons. Their demographic characteristics also suggest a different type of traveler. Whereas the majority of business fliers were men, women were equally represented among these flying mainly for pleasure. These fliers also tended to be somewhat older, less well educated and earning lower incomes than business passengers. However, these differences are relative, and the demographic profile of the frequent pleasure traveler portrays a group that is still upscale with respect to the general population.

On the whole, these fliers have a broad range of experience from which to draw in planning their travel arrangements. Given the frequency with which they fly, it is not surprising that one out of three passengers belonged to an airline club and almost half were participants in some kind of bonus program. Not only do they fly frequently, but only one out of four passengers reported that more than half of all flights made during the past year were to the same destination--apparently most fly to different locations during the year. Since a good part of their travel is not routine, there is a strong probability that the factors affecting travel preparation also vary. This, in combination with the fact that more than half the passengers we spoke with said they made their own travel arrangements, suggests it would be profitable for airlines to reach these fliers and provide them with the information they need at the time their flight decisions are made.

C. Are Newspaper Ads Effective?

1. Probable Ad Noting

Research has shown[1] that passengers do perceive differences among airlines and that most believe those differences are worth shopping around for. Thus there is a strong incentive for fliers to pay attention to advertising. Therefore it is not surprising that when asked: If you had come across these ads in the paper before you decided to go on your trip, which of these ads would you have looked at? five out of six of the passengers reported they would have looked at at least one ad and more than a third both ads. This measure might be called "probable ad noting" to distinguish it from "ad noting" which occurs when a respondent reports his or her previous behavior.

Over 60% of the respondents say that they would have looked at the average ad had they come across it in the paper.

There are several ways to try to put this into context. For quarter page newspaper airline ads, there is a norm of about 39% for reported reading,[2] when the ad has actually run in the newspaper. However, this refers to all newspaper readers, not just frequent fliers. Studies have shown that good prospects are much more likely to report reading ads than are those who are not good prospects[3]--depending on the definition of prospects, perhaps twice as likely. When it comes to interest, those who are the best customers are almost nine times as likely to report interest in ads for a product category than are the worst prospects (93% vs. 11%).[4] Within this context, 60% seems about right.

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[1] Among others, see "Air Travel Study", Newspaper Advertising Study, 1981.

[2] Norms for the Readership of National Ads. (Newspaper Advertising Bureau, 1972)

[3] Prospects Before Us. (NAB, 1963)

The likelihood of ad noting is also influenced by the circumstances and purpose of travel. Heavy fliers, most of whom are frequent business travelers, and those who travel mainly to the same destination, were less likely to report probable noting of both ads. So too were those fliers whose travel arrangements were made by a secretary, company travel officer or travel agent. All these passengers showed a tendency to be both selective in their probable ad noting (would have looked at only one ad) or indifferent to the ads altogether. This appears to be a reflection of their greater travel experience. Yet even among respondents who do not make their own travel plans, almost half said they would have looked at at least one of the ads they were shown. This is important since these preferences are often communicated to those who are responsible for these arrangements.[5]

In contrast, less frequent fliers, those whose travel takes them to a variety of destinations, and fliers who make their own travel plans are more likely to say they would have taken note of both ads. For these fliers, an informative ad would seem to be especially valuable.

Another facet of the relationship between frequency of flying and likelihood of reading is seen in the wide variation in probable ad noting by demographic characteristics. Among women, those relatively less educated, and lower income respondents a larger proportion said they would have paid attention to the ads in general and were more likely to mention probably noting both ads than were men, the better educated and upper income fliers. Yet when demographics are controlled, it is still the circumstances and purpose of travel (business or pleasure) that exert the strongest influence on ad responsiveness.

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[4] How Newspaper Ads Select Customers. (NAB, 1979)
[5] Business Air Travel. (Newspaper Advertising Bureau, 1975)

2. Choice of Airline

Although passengers do express preferences among airlines (95% specified an airline they would prefer to fly if price, scheduling and destination were held constant) that preference is not equal to strong loyalty. Switching does occur.

Of course, at any given time, choice of airline may be influenced by price, scheduling, prior personal experience and other variables. This is clearly illustrated by the finding that in each of the three cities sampled, no more than 25% of all respondents cited the airline on which they were currently booked as their first preference, provided price, scheduling and destination were held constant. Apparently the other 75% (or more, depending on the city) were flying an airline that was not their first choice and they were flying that airline because of price, scheduling, destination, etc.

However, apart from these variables, advertising can also be a factor in air travel decisions.

Each ticketed passenger making up our sample was shown two 8½" x 11" reproductions of newspaper airline ads. Both ads were for the respondent's destination. The effect of advertising is illustrated by the fact that even among fliers who happened to be shown an ad for the airline they would most prefer to fly (all other things equal), 23% reported they would have chosen the airline represented by the other ad, had they seen both ads prior to making their travel arrangements. It is a measure of loyalty that 62% said they would have chosen their favorite airline. The remaining 15% said they would choose neither.

For another group of fliers, one of the ads shown happened to be for the airline they were about to board, even though it was not their favorite airline. Of this group, about the same proportion (27%) choose the competing airline. About half said they would choose the airline they were about to board.

For all the others, the two ads shown happened to be airlines that were neither their favorite airline nor the one they were about to board. Almost eight out of ten (79%) choose one of the two instead of saying "neither" which stood for either their favorite, the airline they held tickets on or another airline. (In some cases, of course, their favorite airline did not fly to their destination.)

It is a truism in market research and especially in research on new products that what people say they might do in the future or might have done in the past, had circumstances been different, must be taken with more than a grain of salt.

However, at the least, we can conclude that frequent fliers are very likely to say they would have looked at at least one of the test ads and a rather surprising proportion of them said they would have chosen one of the advertised airlines over their favorite airline or over the airline on which they held tickets. The proviso here is that they would have come across the test ads in their newspapers before making their travel arrangements.

D. How Do Image Ads Compare to Promotional Ads?

It is widely accepted in market research that the sharpest distinctions can be made by respondents who are asked to compare two products or slogans or ads when they are placed side by side. If the two are actually different then this procedure will illuminate or even magnify those differences. Often the comparison is not what would happen in the normal course of events so the procedure is used to determine if there are differences, rather than to quantify the amount of the difference. This is particularly true when respondents must choose one of the two (rather than rating each). This can result in a large majority of a sample choosing one when the difference between the two is quite small.

Initially we had classified the ads as either promotional or image. To check the validity of our classification, we looked at the answers fliers gave to the question: As you see it, what is the main idea this ad is communicating? Their responses support our classification. All but one of the promotional ads were viewed as concerned primarily with price and/or flight schedules (the exception was Jet America), while the main focus of the image ads was perceived as emphasizing good service, a comfortable flight and pleasant employees.

As was expected, in general, promotion ads did better than image ads on every measure used. When the respondent was shown both an image ad and a promotion ad--the circumstances in which a comparison can be made--the average respondent chose the promotion ad as the one he or she would look at; would have switched to had he or she seen the ads before travel arrangements were made; and considered the promotional ad the one with the more interesting main theme. In general, the reasons for these choices were either price or details about schedules/destinations. Generally the promotion ads were simpler (a high price and an illustration), which may be a benefit by itself but also was easier to see in the 8½ x 11 reproduction.

Also as was expected, those frequent fliers who were flying for pleasure were more likely to choose the promotional ads--pleasure fliers spend their own money, not the company's and they are somewhat less concerned with arriving at their destination on time and prepared for business.

This is not to say that none of the image ads did well. There were 36 possible comparisons (three cities with four comparisons in each city and three measures used for each comparison). Of the 36, in 6 the image ad did either as well as or better than the promotion ad.

E. Can Newspaper Airline Image Ads be Effective?

Having determined that there is a difference between image and promotional ads, we can go on to trying to find the magnitude of the difference. It is widely accepted in market research that for this purpose, "monadic" procedures are the best choice. That is, you show one alternative to some respondents and measure reactions and then you show the other alternative to other respondents. The comparison is between the two groups, each exposed to a different alternative. In this case we are using image ads as one alternative and promotional ads as the other alternative. Thus we can look at the group who were exposed to two image ads compared to the group exposed to the two promotional ads.

Let us begin with the worst case. Clearly image ads do not perform, on a head-to-head comparison, as well as promotional ads. One might assume, as a starting position, that they are about the same as no advertising.

If that were to be so then, when frequent fliers are faced with two image ads, they could be expected to say generally, they would not choose either. Similarly, they could be expected to say, generally, that they would not look at either and that they would not find the main themes interesting.

Of course, we also have a comparison possible: those frequent fliers who were shown two promotional ads. In general, we might expect them to say they would have chosen either airline or the other had they come across the ads prior to making travel arrangements. We might expect them to say they would have looked at at least one of the ads. We might expect them to say the main themes would be interesting.

What do the data show?

In fact, there is not very much difference between the two kinds of ads when looked at in this way. On the average, the promotional ads score better, but not by much. And when you look at individual ads on individual measures, some of the image ads do better than some of the promotional ads.

For instance, of the 150 frequent fliers who had been shown two image ads, 23% said they would have chosen neither had they seen both ads prior to making their travel arrangements. But of the 148 frequent fliers who had been shown two promotional ads (and gave an answer), 17% said they would choose neither. (For this sample size, this difference is not statistically significant.) The difference between those two percentages--six percentage points--represents a spread in the population, as can be estimated from a sample of this size, of between zero and twelve percentage points. In other words, the average image ad might be no different from the average promotional ad or it might be as much as twelve percentage points less. However, when one looks at the scores each ad received, it turns out that two ads tied for the highest score: one was a promotional ad and the other was an image ad. Second highest (and only two percentage points less) was an image ad. Tied for fourth and fifth positions were an image and a promotional ad.

In other words, of the five highest scoring ads, three were image and two were promotional. Twelve ads were used, in all; six promotional ads and six image ads--two of each in each city.

The other two measures are a little less extreme. When asked whether he or she would have looked at the ad, the average frequent flier who had been shown two image ads was a little less likely to say yes than was the average frequent flier shown two promotional ads. The figure for the average image ad is 58% and the average promotional ad is 67%. (For this sample size, the difference is not statistically significant.) The nine percentage points of that difference can be estimated to stand for a spread, in the population, of between three percentage points and sixteen percentage points. The three highest scoring ads are promotional ads; but the next three are image ads.

It is somewhat harder to characterize degree of interest in main theme. On a scale of from one to four (with four being the most interesting; "very interesting") the average promotional ad scored 2.81 or close to "somewhat interesting" (among those who said they would look at the ad) while the average image ad scored 2.43. Although this difference is statistically significant, the difference is 16% and the spread within the population is between 7% and 24%. That is, the average promotional ad can be considered to score someplace between 7% and 24% above the average image ad . Here, too, the top three scoring ads were promotional ads but the next two were image ads and the sixth and seventh were tied--an image and a promotional ad. As with the other measures, some image ads did better than some promotional ads.

Clearly the worst case is not true. For each measure, some image ads do better than some promotional ads.

One can also re-arrange the data so that it is possible to answer other marketing questions like: how well will image ads defend a carrier's current franchise--keeping the customers it now has? And: how well will image ads work to increase the number of new customers? In both cases, compared to a known quantity: promotional ads.

Some of those shown the two image ads also happened to report that one of the airlines was the frequent flier's favorite airline. Of that group, 62% "stayed loyal"--said they would have chosen their favorite airline had they seen both ads prior to making travel arrangements. The remainder said they either would have chosen the other airline or neither.

This 62% should be compared to the proportion of the comparable group who had been shown two promotional ads. Of that other group, (shown promotional ads) 65% said they would have "stayed loyal". These two percentages are almost close enough to demonstrate statistical as well as practical identity.

This means that the image ads did almost as well as the promotional ads in defending the carriers franchise by keeping present customers loyal.

The image ads also did almost as well as the promotional ads in implementing an aggressive strategy by gaining new customers. Among those who were shown two image ads and whose favorite airline was not either of those shown in the ads, 78% said they would have chosen either one or the other of the two airlines represented. By comparison, among those who were shown two promotional ads, 80% said they would have chosen either one or the other airline.

In other words the average image ad would have been chosen by 39% (78% is the total for two ads so 78% divided by two, or 39%, would be the average for one ad) while the average promotional ad would have been chosen by 40%.

One can conclude from these comparisons that for most of the measures used in this study, the image ads shown averaged about ten to fifteen percent lower than the promotional ads shown. For the most central measures of holding on to present customers and seeking new customers, there was hardly any difference between these image ads and these promotional ads.

Since, in the marketplace, promotional ads fill seats (find new customers) it looks like most image ads would be about as effective--although perhaps not in exactly the same way.

F. Qualitative Reactions to the Ads

The interview provided respondents with several opportunities to express themselves in their own words. We asked them why they would have chosen one airline over another and what it was they liked and disliked about the ads.

Although the answers are about what one would expect, they have a vigor that is lost in numbers. A sizable minority of fliers say they would choose the airline because of previous experience or good reputation--for both the promotional ads and the image ads. After that, however, those who explained their choice of promotional ads pointed to the lower prices and the ease of seeing those prices in the ad. The telegraph headlines and the single point of many of these ads had their effects. The same thing went for the schedules. On the other hand, those who explained their reasons for choosing an image ad referred to the good feelings they had when looking at the friendly people in the ads; the personal touch.

For instance, among the references to the promotional ads were:

> "It's very specific. It tells exactly what the departure times are."
>
> "The message is simple. Ad is simple. Only one message and says it simply."

References to the image ads included:

> "Gives you the impression of cheerful service people. The group looks like a happy group so maybe you'd get better service."
>
> "All the smiling faces and the people makes me think it's an airline going out of their way to help you."
>
> "The people are bright and smiling. They look friendly."

However, sometimes the warmth doesn't quite come across, at least to some fliers:

> "It tells you nothing specific about the airline and makes a claim about cheerfulness. I've flown it and not found them cheerful."
>
> "(Don't like) the smiling people. It's kind of false looking."

Even simplicity has its detractors:

> "It tells me absolutely nothing I want to know. I read fine print. I don't like cutesy ads."

Two of the ads had negatives, for some fliers. The strategy in a Delta ad was to caution readers about cut-rate competitors. While many felt that was useful and interesting, about 10% of the passengers did not understand the main theme of the ad. The Midway ad had a picture of two businessmen. A small proportion of the fliers felt that the models did not look like the kind of businessmen they would like to know. A few women raised the sexist issue. The conclusion from both ads is that additional pre-testing would be useful, if only to identify possible negatives.

Sometimes it is interesting to consider the reactions of individual fliers. Those reactions are only anecdotal, of course, but they help to make the abstractions from the numbers more concrete.

One professional or manager in his fifties, with a household income over $50,000 who reports making 30 round trips by air in the last year and who prefers Delta was shown the two image ads, Delta and Republic. He said he would have preferred the Delta, had he seen both before making his travel arrangements (and he makes his own.) (Thus the Delta ad succeeded in its defensive role.) He said the Delta talks about cut-rate flights and everyone is interested in that. (The ad presents an argument to counter cut-rate flights.) "The ad even gives you telephone numbers to call for more information." By contrast, he said he wouldn't have even looked at the Republic ad and that the Republic ad "doesn't tell me anything" "We assume all airline people are nice". (The Republic ad shows its friendly employees.) Despite all this, when asked what there was, if anything, about the Republic ad, he said, "They look like nice people. Friendly and courteous." The fact is he also reads the newspaper five days out of five. Now the average person opens 77% of the pages. So, like it or not, the chances are high that he would have been face to face with the Republic ad, had it run in his paper. While he says he would not have read it, he did like the people in the illustration and he would have seen that illustration.

Another professional or manager with a household income over $50,000, who had education beyond a Bachelor's degree and was in his early forties and flew 12 round-trips by air last year, preferred Luftshansa. He makes his own travel arrangements. When shown the same two image ads, he said he would have chosen the Republic ad "because of the people. That is what it is all about. They care about you in flight." "The people in the ad make the whole thing. The smiling faces draw you right into the ad." On the other hand, his comment about the Delta ad--and remember this is a man with an advanced degree--is that "I don't get the main idea." Then in response to another question, he said, "It says nothing of interest to me. I don't like anything about it." He, too, reports he would have looked at only one of the two ads--the Republic--and yet he, too, reads the paper five days out of five and had the Delta ad run in his paper, the chances are high that he would have seen it. He might not have read it.

A woman in her early thirties, also with a household income over $50,000, who flew 24 business round-trips last year named her favorite airline as Jet America. She's a college graduate and a professional or manager. She was shown two promotional ads, Jet America and Northwest. When asked which of these two she would have looked at before deciding to go on her trip, she said the Northwest ad..."I look at the price. I zero in on the price and then really look at it--to see if the prices are any different." However, as she talks about it more, she realized that the ad does not state where it leaves from and since she is not from the Los Angeles area, that is important. She ends up saying, "There's nothing creative about it. It looks like any other ad." Yet, despite her interest in price and that she says she would not look at the Jet America ad, she also said that she would have chosen the Jet America ad because..."It looks interesting. It looks like Santa Claus. What is he doing with an airline? What is he trying to sell?" Then she ends up saying, "It's got to be good if someone like Santa Claus is taking it. He travels a lot."

But people see different things in ads. A male college graduate in his early forties with a household income over $50,000 who makes his own travel arrangements and made 25 round-trips by air last year prefers United. He too would only have looked at the Northwest ad and yet says he would have chosen Jet America had he come across both ads before making his travel arrangements. He explains his choice by saying what he liked about the Northwest ad was that "they have low air fares." "The air fare prices jump out at you. I'd be conscious of those prices over anything else." In his view, the main point of the ad is that..."they have special fares as a way of saving you money".

However, he said he would have chosen Jet America and his reason is that..."It shows someone relaxing in a plane and I recognize the name: Jet America." In fact, there is an illustration showing Santa's boots, legs, torso, and glasses but not his face. The headline says: Yule love Jet America. The frequent flier explains what he likes about the ad: "The comfort of the passengers. Someone's enjoying the flight. It's clear what the prices would be between Chicago and Long Beach--it's very simple." And the main point of the Jet America ad is..."The low fare from Chicago to Long Beach and other cities." Promotional ads have their audiences.

Newspaper Readership

The demographic profile of the frequent air traveler is also consistent with that of the frequent newspaper reader. Three out of four of the fliers in our sample had read or looked at a paper on all of the past five weekdays and more than 80% had read a paper on at least three. On an average day newspapers reach 75% of all heavy business travelers.[6]

Respondents considered newspaper airline advertisements most valuable as a source of information on prices; 48% of all fliers found ads at least somewhat useful and 18% very useful in this area. Among pleasure travelers, almost one third found ads a very valuable source of price information. Since price is a major consideration among these fliers, this is particularly important.

---

[6] SMRB, "Study of Media and Markets" 1983.

Ads in general were considered less helpful when it came to providing information about flight schedules and quality of service. However, this also is a reflection of the relative lack of this type of advertising currently being done in newspapers.

APPENDIX

TABLES

ADVERTISEMENTS

QUESTIONNAIRE

SAMPLE DEMOGRAPHICS
BY CITY

	Total	New York	Chicago	Los Angeles
Base	(604)	(199)	(199)	(206)
By age				
Less than 35	23%	21%	22%	26%
35 - 44	32	29	37	31
45 - 54	25	24	25	27
55 & Older	20	26	16	16
By Education				
HS or Less	8	11	6	7
Some College	12	14	12	13
College Graduate	42	33	45	46
Beyond College	38	42	37	34
By Employment Status				
Employed Full Time	87	78	91	92
Employed Part Time	4	7	3	2
Not Employed	9	15	6	6
By Occupation*				
Professional/Manager	91	89	91	92
Clerical/Sales	7	10	5	5
Craftsmen/Foremen	1	1	1	1
Other	1	-	3	2

* Based on those employed

Cont'd....

SAMPLE DEMOGRAPHICS
BY CITY

		Total	New York	Chicago	Los Angeles
	Base	(604)	(199)	(199)	(206)
By Sex					
Male		83%	79%	86%	85%
Female		17	21	14	15
By Income					
Less than	$25,000	4	4	2	6
Greater than	$25,000 (NET)	89	82	92	92
	$25 - 34,999	6	8	4	6
	$35 - 49,999	23	17	31	20
	$50,000 +	58	54	57	65
	Unspecified	2	3	-	1
Not Reported		7	14	6	2

FLIGHT EXPERIENCE

	Total	New York	Chicago	Los Angeles
Average Number Flights:				
Total	18.1	15.7	18.5	20.0
Business	14.9	11.1	15.8	17.8
Main Purpose of Majority of Flights				
Mainly Business	73%	56%	77%	85%
Mainly Pleasure	17	27	15	10
Combination	5	11	4	1
No Single Type Predominates	5	6	4	4
Proportion of Flights to Same Destination				
Almost All	10	10	9	12
More Than Half	14	16	9	17
About Half	24	27	22	22
About a Third	28	23	32	29
Hardly Any	24	24	28	20
Flight Arrangements Generally Made By				
Respondent	52	43	65	48
Secretary	14	15	11	18
Company Travel Officer	19	20	17	18
Travel Agent (other)	10	14	5	11
No Business Trips	5	8	2	5
Belong to Any Airline Clubs	30	27	32	30
Belong to Any Bonus Programs	47	39	46	56

RESPONDENT DEMOGRAPHIC CHARACTERISTICS BY MAIN TYPE OF TRAVEL

	Mainly Business	Mainly Pleasure
By Sex		
Men	91%	49%
Women	9	51
By Age		
18 - 34	22	24
35 - 44	37	16
45 - 54	27	22
55 - 64	12	21
65 +	2	17
By Education		
Some College or Less	14	42
College Graduate	46	29
Beyond College	40	29
By Income		
Less than $35,000	7	15
$35 - 49,999	24	27
$50,000 +	62	48
Unspecified ($25,000 +)	1	3
Not Reported	6	7
BASE	(441)	(102)

PROBABLE AD NOTING BY DEMOGRAPHICS

	BASE	Would Have Looked At			
		One Ad	Both Ads	Neither	Average Ad
Total	(604)	45%	39%	16%	61%
By Sex					
Men	(503)	42	39	19	60
Women	(101)	53	42	5	68
By Age					
18 - 34	(139)	47	38	15	61
35 - 44	(196)	47	36	17	59
45 - 54	(153)	40	43	17	63
55 - 64	(83)	42	41	17	62
65 +	(33)	43	42	15	63
By Education					
Some College or Less	(126)	35	48	17	65
College Graduate	(251)	49	36	15	60
Beyond College	(227)	46	37	17	60
By Income					
Less than $35,000	(59)	45	48	7	70
$35 - 49,999	(137)	42	41	17	62
$50,000 +	(355)	46	37	17	60

PROBABLE AD NOTING BY SELECTED TRAVEL CHARACTERISTICS

		Would Have Looked At			
	BASE	One Ad	Both Ads	Neither Ad	Average Ad
Total	(604)	45%	39%	16%	61%
By Number of Flights					
Less than 15	(380)	41	45	14	65
15 or More	(224)	50	30	20	55
By Who Makes Arrangements					
Self	(312)	40	44	16	64
Secretary/Travel Officer	(201)	47	34	19	57
By Main Reason for Trip					
Mainly Business	(441)	44	37	19	59
Mainly Pleasure	(102)	42	50	8	71
By Proportion of Flights to Same Destination					
Almost All	(63)	48	33	19	57
Hardly Any	(144)	38	43	19	62
By Membership in Bonus Program					
Member	(285)	51	32	17	57

AIRLINE WOULD HAVE CHOSEN

Respondents who were shown an ad for their favorite airline		Respondents who were shown an ad for the airline they were about to board -- but not their favorite		Respondents who were shown ads neither for airline boarding nor favorite	
Remained Loyal	62%	Remained Loyal	52%	Chose One Or Chose the other	79%
Chose Competing Airline	23	Chose Competing Airline	27		
Chose Neither	15	Chose Neither	21	Chose Neither	21
	100%		100%		100%
Base	(149)		(161)		(294)

Question: If you had been looking through the paper and came across both of these two ads before you had made your travel arrangements, which of these two airlines would you have chosen?

If all airlines were going to your destination at the same time, and at the same price, which airline would you prefer to fly? (Used to identify favorite airline.)

COMPARISON OF IMAGE/PROMOTIONAL ADS ON PROBABLE AD NOTING, INTEREST & CHOICE OF AIRLINE

(Among Those Exposed to One Image Ad and One Promotional Ad)

	Promotional Ad Only	Image Ad Only	Both	Neither	Base
% Would have looked at	40%	7%	37%	16%	(304)

	Promotional Ad	Image Ad	Neither	No Answer	Base
% Would have chosen	62%	17%	20%	1%	(304)

	Promotional Ad	Image Ad	Base
% Found Main Theme Very Interesting	46%	15%	(304)

WOULD HAVE CHOSEN AIRLINE
(Among Respondents Exposed To Either Two Promotional Ads Or Two Image Ads)

	Shown only Promotional Ads	Shown only Image Ads
Would have chosen Ad A	56%	41%
Would have chosen Ad B	26	36
Neither	17	23
No answer	1	-
Base	(150)	(150)

WOULD HAVE LOOKED AT AD
(Among Respondents Exposed To Either Two Promotional Ads Or Two Image Ads)

	Shown only Promotional Ads	Shown only Image Ads
Would have looked at Ad A only	27%	27%
Would have looked at Ad B only	15	15
Would have looked at both	45	37
Would have looked at neither	13	21
Would have looked at average ad	67	58
Base	(150)	(150)

FOUND MAIN THEME INTERESTING
(Among Respondents Exposed To
Either Two Promotional Ads Or
Two Image Ads)

	Shown only Promotional Ads	Shown only Image Ads
Very Interesting (4)	32%	20%
Somewhat Interesting (3)	35	32
Not Too Interesting (2)	15	19
Not at all Interesting (1)	17	28
No answer	1	1
	100%	100%
Base (sum of evaluations of both ads)	(300)	(300)
Average	2.81	2.43

RANKING OF ADS
(Among Respondents Exposed to Either Two Promotional Ads or Two Image Ads)

		Would have Chosen Ad		Would have Looked at Ad		Found Main Theme Interesting
Highest Score	1	Promotional A	1	Promotional B	1	Promotional E
	2	& Image A	2	Promotional A	2	Promotional B
	3	Image B	3	Promotional E	3	Promotional A
	4	Promotional B	4	Image B	4	Image C
	5	& Image C	5	Image F	5	Image B
	6	Promotional C	6	Image A	6	Promotional C
	7	Promotional D	7	Promotional C	7	& Image A
	8	Promotional E	8	Promotional F	8	Promotional D
	9	& Image D	9	& Image E	9	Promotional F
	10	Image E	10	Promotional D	10	Image D
	11	Promotional F	11	& Image C	11	Image F
Lowest Score	12	Image F	12	Image D	12	Image E

DEFENSIVE MARKETING EFFECTIVENESS

(Based on respondents in each comparison group who expressed a preference for one of the airlines shown in ad)

	Exposed To Only One Type of Ad	
	PROMO	IMAGE
% Respondents Remaining Loyal to Ad of Preference	65%	62%
% Respondents Switching	22	15
% Respondents Choosing Neither	13	23
BASE	(51)	(34)

AGGRESSIVE MARKETING EFFECTIVENESS

(Based on respondents in each comparison group who expressed a preference for an airline not shown in ads)

	Exposed To Only One Type of Ad	
	PROMO	IMAGE
% Respondents Who Would Have Chosen An Ad in the Comparison Group	80%	78%
% Respondents Who Would Have Chosen Neither	20	22
BASE	(99)	(116)

REASONS FOR CHOOSING AIRLINE
(Among Respondents Exposed to Either Two Image Ads or Two Promotional Ads)

	Chose Image Ad	Chose Promotional Ad
Advantages (NET)	33%	20%
Low Fare/Discount/Coupon	5	10
Departs from Convenient Airport/ Terminal	13	3
Good Service/Personnel	8	-
Flies to Destination	4	1
Other	5	6
Personal Experience (NET)	33	29
Reliable/Good/Dependable Airline	10	18
Dislike-Not Familiar with Other Carrier	12	7
Satisfied with Service	8	10
Belong to Bonus Program	3	4
Satisfied with Prices	1	2
Easy to Read (NET)	3	48
Prices Clear-Stand Out	-	22
Not Wordy/Straightforward	3	15
Schedules Clear-Stand Out	-	12
Destination Clear-Stands Out	-	5
Other	1	1
Informative (NET)	9	-
Gives Prices	9	-
Gives Flight Schedules	-	-
Gives Destinations	1	-
Gives Restrictions	-	-
Psychological Appeal (NET)	30	7
Like Happy People	23	-
Shows People/More Personal	7	-
Other	-	7
Other (NET)	6	11
BASE = Respondents Who Would Have Chosen Airline In One of Ads	(116)	(123)

VALUE OF NEWSPAPER ADS IN OBTAINING SPECIFIC TRAVEL INFORMATION

		Number of Flights		Purpose of Flights		Reading Frequency	
	Total	Less than 15	15 +	Business	Pleasure	Infreq.	Freq.
BASE	(604)	(380)	(224)	(441)	(102)	(137)	(467)
Price							
Very Useful	18%	20%	14%	14%	32%	12%	20%
Somewhat Useful	30	34	23	28	31	29	30
Not Too Useful	18	17	20	19	18	19	18
Not At All Useful	34	29	43	39	19	40	32
Flight Schedules							
Very Useful	8	9	7	7	11	2	10
Somewhat Useful	17	19	13	16	22	16	17
Not Too Useful	20	19	20	19	22	20	19
Not At All Useful	55	53	60	58	45	62	54
Quality of Service							
Very Useful	3	4	2	2	5	4	3
Somewhat Useful	17	17	17	17	20	14	18
Not Too Useful	25	28	20	22	30	25	25
Not At All Useful	55	51	61	59	45	57	54
	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)

"Most airline employees always seem bored. Republic's sport cheerfulness and genuine concern."

From Left: Patsy James, Flight Attendant. Shirley Overlin, Passenger Service Agent. Scott Wright, Captain. Jon Chi, Passenger Service Agent. Sue Ludwig, Flight Attendant. Hanna Chase, Passenger Service Agent. Brenda Shepherd, Flight Attendant. Dale Daggett, Ray Wright, Station Agents. Sandra Simmons, First Officer

"Recently, the spirit and enthusiasm I found on Republic gave another routine business trip a real lift. Sue Ludwig, especially, was a shining example of what service is all about."—*Leonard L. Lyons, Long Beach, California*

Kudos from passengers aren't surprising at Republic. Because we've got an airline-full of employees like flight attendant Sue Ludwig:

"I get my share of compliments, but I also hear about other Republic employees all the time. Reservationists, ticket agents, pilots, baggage handlers who've gone out of their way...not just the people you see every day, but even the people you don't see. Because whatever you do, people notice a job well done."

Perhaps that's why every year, Republic gets thousands of letters that really say the same thing: nobody serves our republic like Republic.

For information or reservations, call a travel agent, your corporate travel planner or Republic Airlines.

REPUBLIC AIRLINES

Nobody Serves Our Republic Like Republic.

BEST AVAILABLE COPY

BEST AVAILABLE COPY

THE NEW YORK TIMES, TUESDAY, NOVEMBER [illegible]

ADVICE FROM DELTA:

BEFORE YOU BUY A CUT-RATE AIRLINE TICKET TO FLORIDA, FIND OUT WHAT IT REALLY COSTS!

Add up any extra charges for food, soft drinks and baggage, when you fly a cut-rate airline. (On Delta, you pay nothing extra.)

Add the extra time it takes to get your reservations and actually lay claim to a seat when you fly a cut-rate airline. (It's all so easy on Delta—especially with our advance seat selection and boarding passes.)

Add the extra wear and tear you suffer from the inconveniences of a corner-cutting operation and the discomforts of crowded, poorly equipped cabins.

The net of it all—

**Cut-rate airlines are no bargain.
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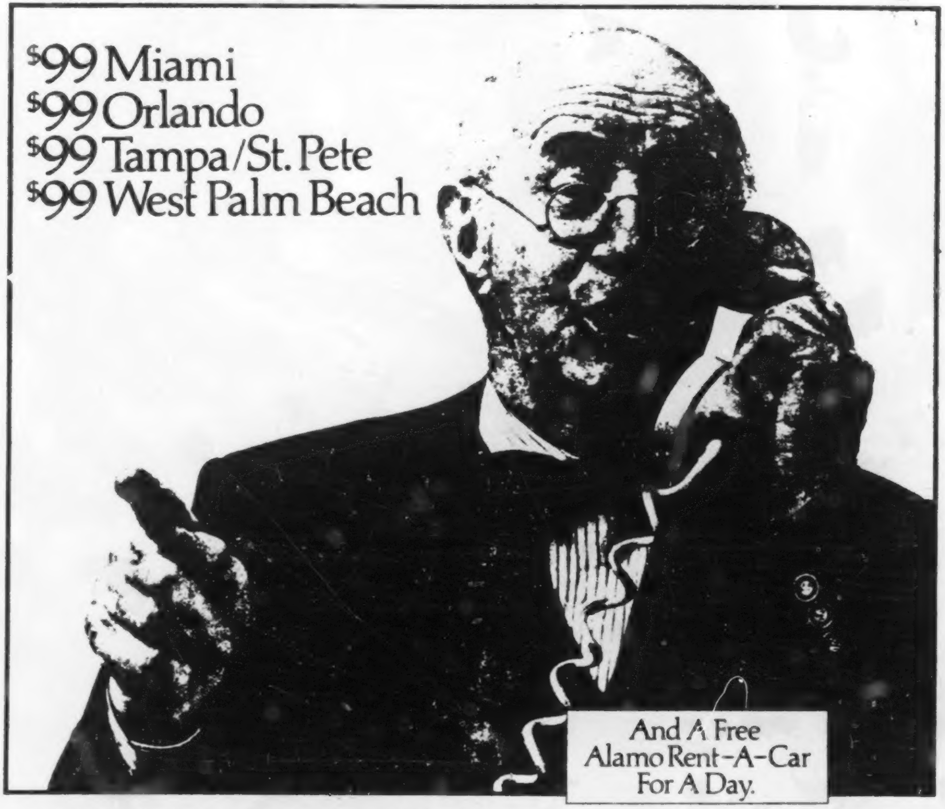

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America's favorite way to fly℠

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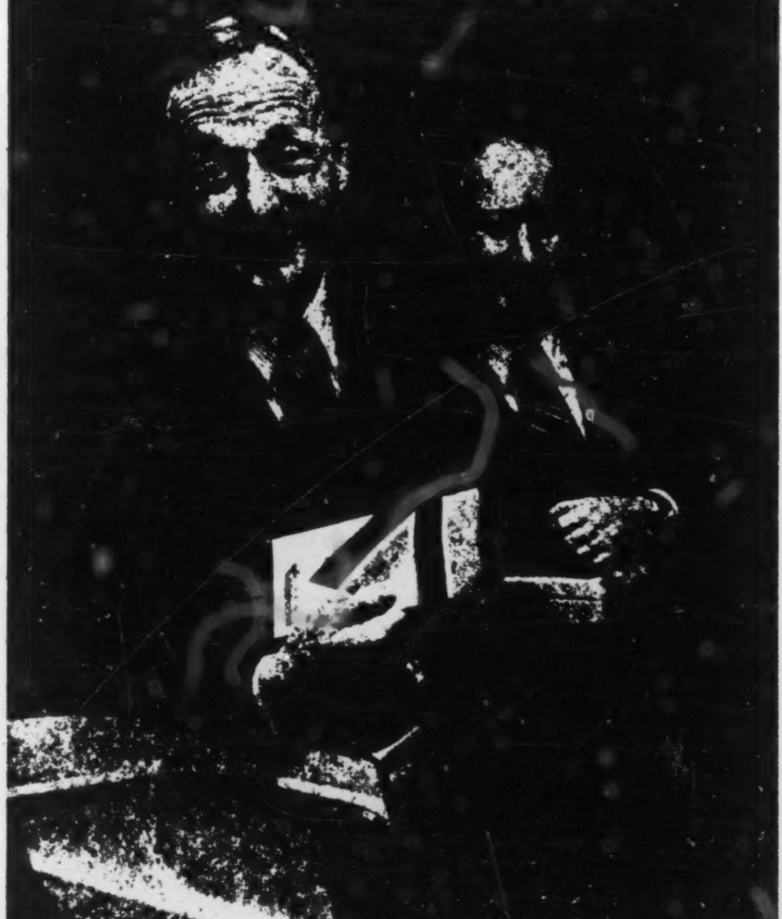
HERE'S WHY YOU'LL ALSO PREFER FLYING US TO NEWARK.

TAKE A BUSINESS ASSOCIATE WITH YOU ON MIDWAY METROLINK TO NEWARK. AND WE'LL FLY ONE OF YOU FREE.



The offer is too good to pass up. To introduce you to our new service, just take any business associate with you the next time you fly with us to Newark and we'll fly one of you absolutely free.

And that's not even the best part of the deal. Because Midway Metrolink is the airline that, in a recent test, frequent business travelers preferred over any other airline to New York, including American, United, and TWA.

The specifics:

Thanks to bigger, wider seats, with no middle seats, 91% preferred Midway Metrolink over any other airline for comfort.

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Thanks to the fact that we fly out of Midway Airport, a lot less of a hassle than O'Hare, 72% preferred Midway for airport convenience.

Thanks to the fact that we give business travelers this superior level of service and still charge less than regular coach, 84% preferred Metrolink for value.

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[illegible] Independent research [illegible] available between Chicago, St. Louis and Chicago, Minneapolis/St. Paul

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PAGE 25 CHICAGO SUN-TIMES, WEDNESDAY, JANUARY 4, 1984

Hour new LaGuardia schedule:

Starting January 9th, United will fly to LaGuardia every hour on the hour from 7:00 a.m. to 8:00 p.m.

Fourteen daily nonstops to LaGuardia **And 14 nonstops** returning to Chicago **on the same** hourly schedule.

For reservations, call your Travel Agent. Or call United at 569-3000.

7am
8am
9am
10am
11am
Noon
1pm
2pm
3pm
4pm
5pm
6pm
7pm
8pm

fly the friendly skies.

United

"Most airline employees always seem bored. Republic's sport cheerfulness and genuine concern."

From Left: Patsy Joiner, Flight Attendant; Shirley Overlin, Passenger Service Agent; Scott Wright, Captain; Joon Chi, Passenger Service Agent; Sue Ludwig, Flight Attendant; Hanna Chasai, Passenger Service Agent; Brenda Shepherd, Flight Attendant; Dale Daggett, Ray Wright, Station Agents; Sandra Simmons, First Officer

"Recently, the spirit and enthusiasm I found on Republic gave another routine business trip a real lift. Sue Ludwig, especially, was a shining example of what service is all about."—*Leonard L. Lyons, Long Beach, California*

Kudos from passengers aren't surprising at Republic. Because we've got an airline-full of employees like flight attendant Sue Ludwig:

"I get my share of compliments, but I also hear about other Republic employees all the time. Reservationists, ticket agents, pilots, baggage handlers who've gone out of their way...not just the people you see every day, but even the people you don't see. Because whatever you do, people notice a job well done."

Perhaps that's why every year, Republic gets thousands of letters that really say the same thing: nobody serves our republic like Republic.

For information or reservations, call a travel agent, your corporate travel planner or Republic Airlines.

REPUBLIC AIRLINES

Nobody Serves Our Republic Like Republic.

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Actual letter on file

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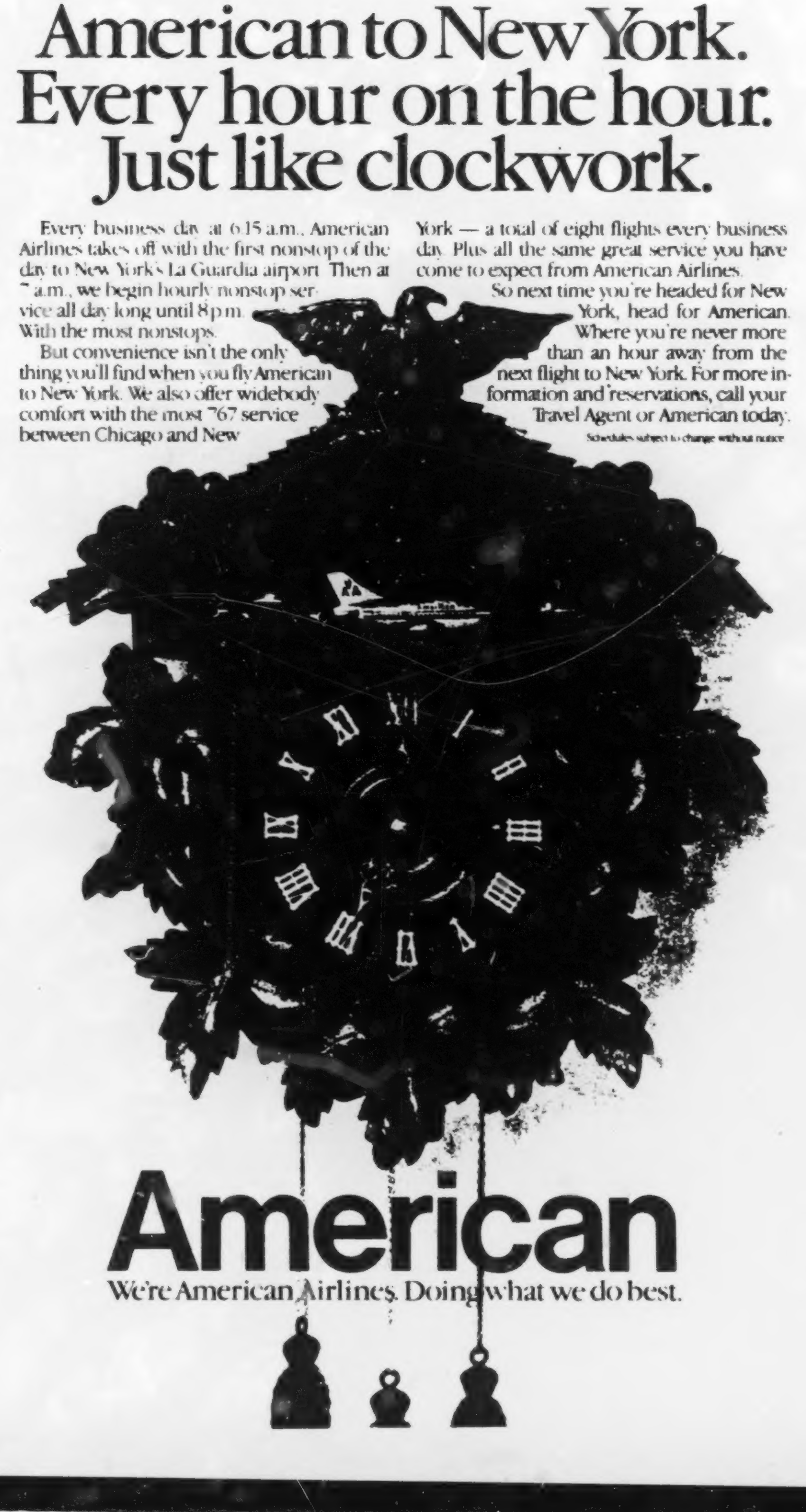


American to New York. Every hour on the hour. Just like clockwork.

Every business day at 6:15 a.m., American Airlines takes off with the first nonstop of the day to New York's La Guardia airport. Then at 7 a.m., we begin hourly nonstop service all day long until 8 p.m. With the most nonstops.

But convenience isn't the only thing you'll find when you fly American to New York. We also offer widebody comfort with the most 767 service between Chicago and New York — a total of eight flights every business day. Plus all the same great service you have come to expect from American Airlines.

So next time you're headed for New York, head for American. Where you're never more than an hour away from the next flight to New York. For more information and reservations, call your Travel Agent or American today.

Schedules subject to change without notice

American

We're American Airlines. Doing what we do best.

How to win the game at LAX.

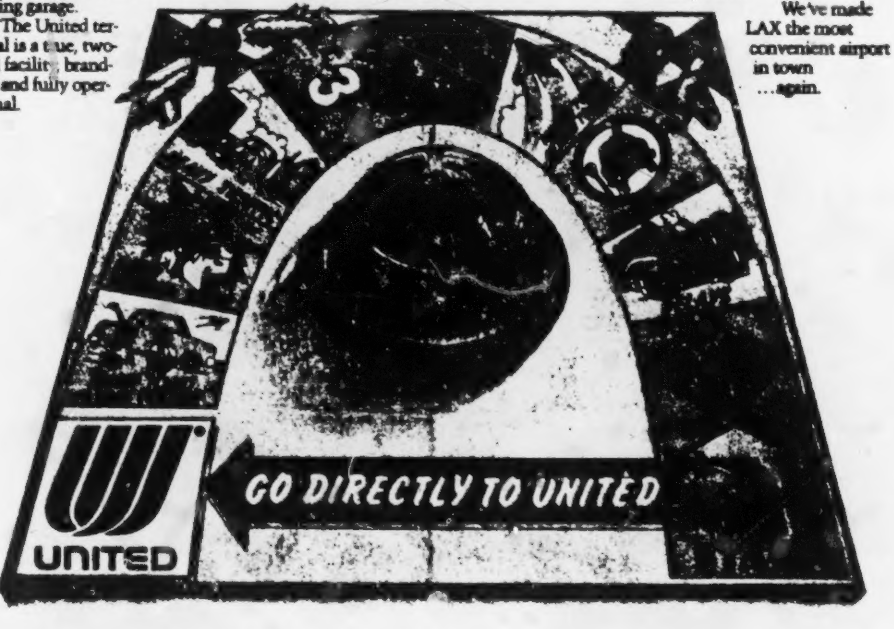
There's a new upper-level roadway at LAX that takes you from just inside the airport entrance, straight across to the departure level of the new United terminal. Or to the United parking garage.

The United terminal is a true, two-level facility, brand-new and fully operational.

To make your comings and goings faster and easier, we've enlarged the ticketing area upstairs, the baggage-claim area downstairs, and expanded the Red Carpet Club.

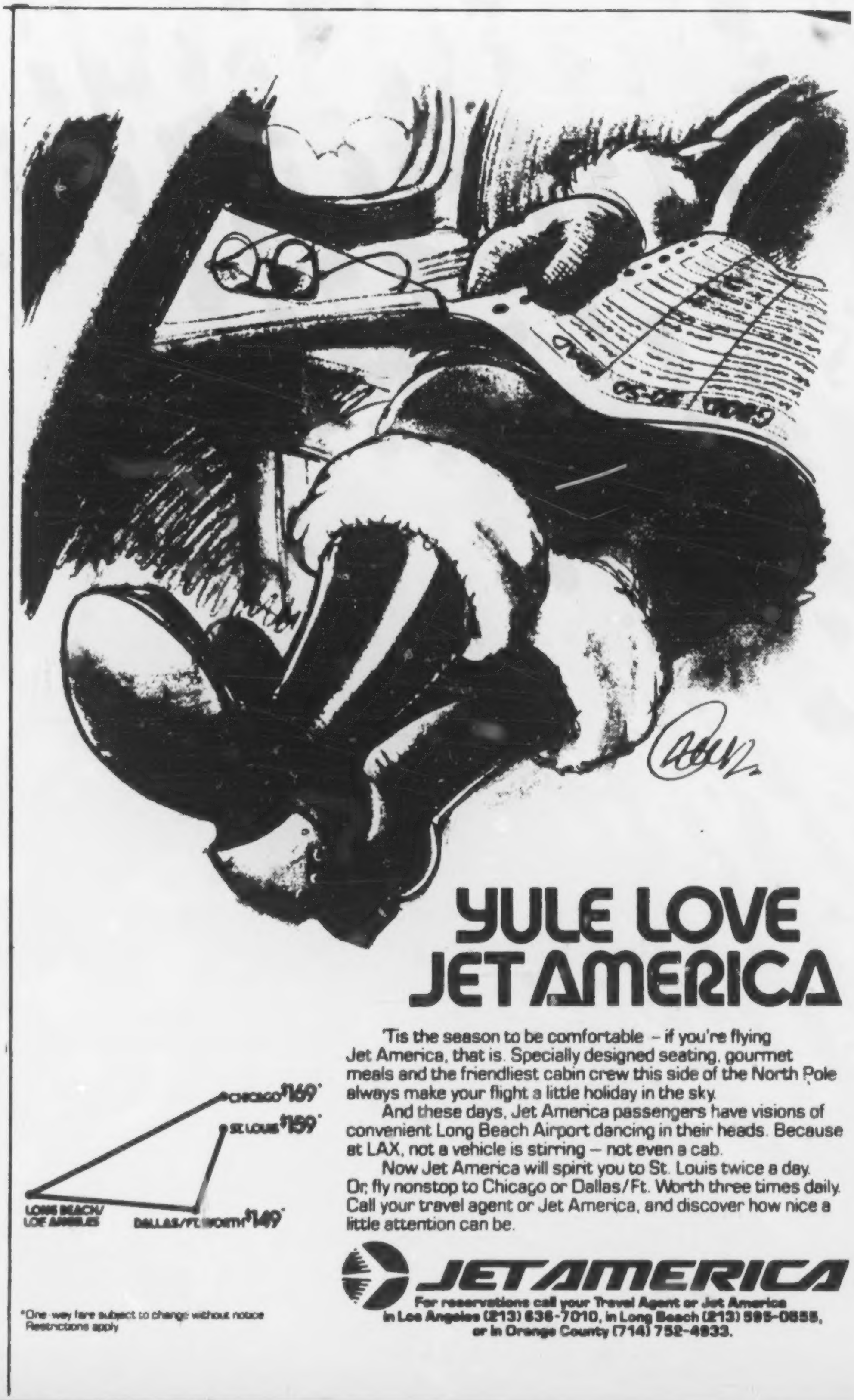
So if you've been making the trek to Burbank, Ontario, Orange County, or Long Beach just to avoid LAX, welcome to the friendly skies.

We've made LAX the most convenient airport in town ...again.



fly the friendly skies.

United



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14-day advance purchase necessary.
Fares are subject to change and other restrictions apply.

FFP *This fare qualifies for credit in Northwest Orient's FREE FLIGHT PLAN—your fastest, easiest way to earn free travel worldwide. Call for details.*

ANNOUNCING A GREAT DEAL FOR GOOD FRIENDS.

Now your friends and relatives living in the Midwest can save 10% on airfare if they visit you between January 9 and April 22, 1984.

Just fill in their name and mail them this money-saving coupon!

For more information and reservations, call your travel agent or Northwest Orient. In Los Angeles (213) 380-1511, all other areas: (800) 225-2525 (toll-free).

THIS COUPON SAVES (NAME) ____________

10% when they fly Northwest Orient to California or Arizona.

Attention Northwest Orient Passenger: This coupon is valid for travel commencing between January 9 and April 22, 1984 in either direction.

Between one of these cities:
Chicago
Mpls/St. Paul
Grand Rapids
Detroit
Rochester, Mn.
Madison
Milwaukee
Boston
and cities in North Dakota and Montana

And one of these cities:
San Francisco
Los Angeles
San Diego
Phoenix
Tucson

Simply present this coupon at any Northwest Orient ticket office or participating travel agency at the time of your ticket purchase, and you will receive an additional 10% discount off the airfare for which you qualify. Tickets must be purchased by April 22, 1984. Only one round trip ticket per person per coupon is allowed. The original coupon must be presented at time of purchase (no copies). Discounts apply to any published Northwest fare level except government travel, group, charter, military, contract bulk or VISIT USA fare types.

To Travel Agents: Attach this newspaper coupon (no copies) to the auditor's coupon to qualify your client for a 10% discount. Show the discounted base fare amount in the fare box and compute the 8% tax on that discounted base fare. Use ticket designator NWRVSEMKT. Report sale at the net amount of the discounted fare through the area bank in normal manner. Fare details are published in Rule 6116 of the North American Passenger Tariff.

THE WORLD IS GOING OUR WAY.

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The happiest faces flying:

Delta 767 crew members. Front, Flight Attendant Marguerite Williamson. Back, left to right, Captain Max H. Cochran, First Officer Ray McCrary, Flight Attendants Venus C. Banks-Hayes and Ed Marquez.

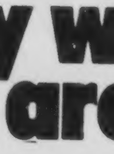
Delta is an airline run by more than 35,000 professionals. People who love what they do. It shows on the face of every Delta employee you meet. We call it The Spirit of Delta.

Best of all. Delta smiles are contagious—you'll catch them on your very next Delta flight.

You don't have to take our word for it. The C.A.B. tells us that last year we had fewer passenger complaints than any other major airline. And the year before that. And the year before that. All the way back to 1974.

This year, Travel/Holiday Magazine polled its readers to find out their airline preferences. Delta won first place across the board. First in courtesy of personnel. First in on-time performance. First in food service. First in baggage handling.

Next trip, let Delta put it all together for you. Check your professional Travel Agent or call Delta. DELTA



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BREHL & ASSOCIATES MARKETING RESEARCH CO., INC., 107 NORTHERN BLVD., GREAT NECK, NY 11021

AIR TRAVELERS' STUDY -- Job #20-1-84

Hello. I'm __________ from __________, an independent marketing research company. We're doing a survey among air travelers and would like to ask you a few questions about air travel. - 1 - 5

A. First, do you or anyone in your household work for . . . (READ LIST)?

	YES	NO
AN AIRLINE	☐	☐
A TRAVEL AGENCY	☐	☐
AN ADVERTISING AGENCY OR MARKETING RESEARCH COMPANY	☐	☐

IF "YES" FOR ANY COMPANY ABOVE, LIST ON CONTACT SHEET & TERMINATE.

1. Altogether, about how many round trips did you make on commercial airlines in the past 12 months, not counting this trip? ____ 6

_____ROUND TRIPS ____ 7

IF LESS THAN 6 TRIPS, LIST ON CONTACT SHEET & TERMINATE.

____ 8

2. Out of the _______(READ NUMBER AT Q.1) round trips, how many were strictly for business? . . . How many were strictly for pleasure? . . . How many were for both business and pleasure? ____ 9

____ 10

_____STRICTLY BUSINESS ____ 11

_____STRICTLY PLEASURE ____ 12

_____BOTH BUSINESS & PLEASURE ____ 13

3. What proportion of your round trips during the past 12 months were to the same destination? Would that be (READ LIST) . . . 14

ALMOST ALL ☐ 1
MORE THAN HALF ☐ 2
ABOUT HALF ☐ 3
ABOUT ONE-THIRD ☐ 4
HARDLY ANY ☐ 5

4. When traveling on business, who generally decides on your flight arrangements? 15

RESPONDENT ☐ 1
SECRETARY ☐ 2
COMPANY TRAVEL OFFICE ☐ 3
OTHER: (specify) ____________
NO BUSINESS TRIPS ☐ X

5a. Do you belong to any airline clubs such as CLIPPER CLUB, IONISPHERE CLUB, AMBASSADOR CLUB, ADMIRAL CLUB, etc. 16

Q.5b NEXT ← YES ☐ 1
Q.6 NEXT ← NO ☐ 2

5b. How many of these clubs do you belong to? _____ ____ 17

6. Are you a participant in any bonus programs that allow you to earn travel benefits for miles flown? 18

YES ☐ 1
NO ☐ 2

(1)

____19

____20

SHOW ADS ______

7a. If you had been looking through the newspaper and came across both of these ads before you had made your travel arrangements, which of these two airlines would you have chosen?

21

☐1

☐2

NEITHER ☐3

7b. Why is that?

____22

____23

____24

____25

X 26

8a. If you had come across these ads in the paper before you decided to go on your trip, which of these ads would you have looked at?

27

ONLY ☐1

ONLY ☐2

BOTH ☐3

NEITHER ☐4

8b. (ASK IF AD NOT CHECKED AT Q.8a) Why would you not have looked at this ad?

____28

____29

____30

____31

X 32

8c. (ASK IF AD NOT CHECKED AT Q.8a) Why would you not have looked at this ad?

____33

____34

____35

____36

X 37

9. (SHOW AD ____) What is there about this ad, if anything, that you like?

____38

____39

____40

____41

X 42

10. (SHOW AD ____) What is there about this ad, if anything, that you like?

____43

____44

____45

____46

X 47

(1)

11. (SHOW AD _____) What is there about this ad, if anything, that you dislike?

____

____

____

____

_____48
_____49
_____50
_____51
__X__52

12. (SHOW AD _____) What is there about this ad, if anything, that you dislike?

____

____

____

____

_____53
_____54
_____55
_____56
__X__57

13. (SHOW AD _____) As you see it, what is the main idea that this ad is communicating?

____

____

____

____

_____58
_____59
_____60
_____61
__X__62

14. How interesting is this idea to you personally? (IS IT . . . (READ LIST)?

VERY INTERESTING	☐1	63
SOMEWHAT INTERESTING	☐2	
NOT TOO INTERESTING	☐3	
NOT AT ALL INTERESTING	☐4	

15. (SHOW AD _____) As you see it, what is the main idea that this ad is communicating?

____

____

____

____

_____64
_____65
_____66
_____67
__X__68

16. How interesting is this idea to you personally? Is it . . . . (READ LIST)?

VERY INTERESTING	☐1	69
SOMEWHAT INTERESTING	☐2	
NOT TOO INTERESTING	☐3	
NOT AT ALL INTERESTING	☐4	

17. If all the airlines were going to your destination at the same time, and for the same price, which airline would you prefer to fly?

____

_____70
_____71
_____72

18. During the past five weekdays, that is Monday through Friday, how many days did you read or look at a daily newspaper?

NONE ☐0 ONE ☐1 TWO ☐2 THREE ☐3 FOUR ☐4 FIVE ☐5

_____73

2 5

19a. How useful would you say the ads in the newspapers are in helping you find out information about airline schedules? Are they . . . (READ LIST)?

VERY USEFUL ☐1 6
SOMEWHAT USEFUL ☐2
NOT TOO USEFUL ☐3
NOT AT ALL USEFUL ☐4

19b. How useful would you say the ads in the newspapers are in helping you find out information about airline prices? Are they . . . (READ LIST)?

VERY USEFUL ☐1 7
SOMEWHAT USEFUL ☐2
NOT TOO USEFUL ☐3
NOT AT ALL USEFUL ☐4

19c. How useful would you say the ads in the newspapers are in helping you find out information concerning the quality of service and other flight conveniences? Are they . . . (READ LIST)?

VERY USEFUL ☐1 8
SOMEWHAT USEFUL ☐2
NOT TOO USEFUL ☐3
NOT AT ALL USEFUL ☐4

CLASSIFICATION DATA

Finally, I would like to ask you a few questions for classification purposes.

CL.1. Into which of the following age groups do you fall?

18 - 24 ☐1 9
25 - 29 ☐2
30 - 34 ☐3
35 - 39 ☐4
40 - 44 ☐5
45 - 49 ☐6
50 - 54 ☐7
55 - 64 ☐8
65 & OVER ☐9

CL.2. What was the last grade of school you completed?

8TH GRADE OR LESS ☐1 10
9TH - 11TH GRADES ☐2
12TH (HIGH SCHOOL GRADUATE) ☐3
1 - 3 YRS OF COLLEGE (SOME COLLEGE) ☐4
COLLEGE GRADUATE (4 YRS.) ☐5
BEYOND COLLEGE ☐6

CL.3a. Are you currently employed or working full or part-time outside your home?

ASK CL.3b NEXT < FULL-TIME EMPLOYED ☐1 11
PART-TIME EMPLOYED ☐2
GO TO CL.4 NOT EMPLOYED ☐3

CL.3b. Which of the following categories best describes the type of work you do? (READ LIST)

PROFESSIONAL/MANAGER ☐1 12
CLERICAL/SALES ☐2
CRAFTSMAN/FOREMAN ☐3
OTHER ☐4

(2)

CL.4. I need a rough idea of your total households income for 1983 including Social Security benefits and pensions. Would it be under or over $25,000 a year?

13

UNDER $25,000 ☐ Would that be
- UNDER $15,000 ☐1
- $15,000 or OVER ☐2

$25,000 or OVER ☐ Would that be
- UNDER $35,000 ☐3
- $35,000 - $49,999 ☐4
- $50,000 or OVER ☐5

RESPONDENT IS: MALE ☐1 FEMALE ☐ 2 ____14

NAME: (PRINT) ______________________ PHONE: ( )__________________ ____15

MAILING ADDRESS: ____________________________________ ____16

CITY: ______________________ STATE:______ ZIP:________

INTERVIEWER:______________________ DATE:__________________ ____17

INTERVIEWER: WRITE IN AIRLINE/TERMINAL: __________________ ____18

__________________ ____19

20

CHECK AIRPORT:
- JFK/NEW YORK ☐1
- CHICAGO ☐2
- LOS ANGELES ☐3

____21

____22

____23

Research Report

[illegible] #74

Newspaper Advertising Bureau, Inc. 1180 Avenue of the Americas, New York, New York 10036

REAL ESTATE IN THE EIGHTIES:

A STUDY OF HOME BUYERS AND SELLERS

This study is one of a series of marketing research reports prepared by the Newspaper Advertising Bureau, Inc., as a service to the newspaper business and its advertisers.

September 1984

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HIGHLIGHTS

1. Government and real estate industry sources indicate that over the past decade prices for new and used houses have increased more than the overall inflation rate. During the same period real income, as measured in constant dollars, has decreased.

2. High housing prices and high interest rates mean that the mere desire to buy a house is no longer enough. Those with the wherewithal to buy tend to be well educated and well paid. Three fourths (77%) of the home buyers in this sample have attended college, and 62% work as managers or professionals.

3. Most home buyers and sellers regard real estate as a better investment than either savings accounts or the stock market. This is especially true of younger home buyers.

4. About half (53%) say that they try to keep abreast of trends in the real estate business. Among these trend followers the favored source of information (mentioned by 70%) is the newspaper. Three fourths of the home buyers and sellers interviewed say that a healthy real estate industry is "very important" to the national economy.

5. Home buyers and sellers give their own realtors favorable ratings on service functions, especially those most directly connected with selling a house. For example, 74% of the buyers rate their real estate agents "high" or "very high" on "being up to date on local housing availability and costs".

6. When asked about the advantages of dealing with different kinds of realty firms, clients of local independents tend to associate them mainly with "friendly" or "personal" service, while clients of larger regional and national firms refer to "professional" or "efficient" service and to more listings.

7. Proposed innovations in realtor services find varying levels of acceptance from clients. More than six out of ten buyers respond favorably to the idea of financing through a mortgage broker associated with a realty firm. Four out of ten would consider investing in large-scale real estate developments on a share basis. Only one third say they would consider taking out a homeowner policy through a realty firm.

8. Even after they engage the services of a realtor, most home buyers and sellers continue to check the "Homes for Sale" listing in newspaper classified sections. Among the two thirds who say that they continue to check classified ads, about nine out of ten look at "Homes for Sale" at least once a week.

INTRODUCTION

The research covered by this report is designed to address current concerns of the real estate industry. In this context, special acknowledgement should be given to a task force made up of representatives from realty organizations and classified advertising managers from major newspapers:

Jon Greenleaf; Merrill Lynch Realty
Jack Hull; Coldwell/Banker
Bill Keleher; BERG agency
Perry Smulson; Wells, Rich, Greene, Inc. (Century 21)
Ron Davis; National Association of Realtors
Buddy Banks; Richmond Newspapers
Dennis Grant; Chicago Tribune
Beverly Klein; Milwaukee Journal
Barbara Litrel; New York Times
Nancy Stewart; Courier News; Bridgewater, NJ
Fred Weiss; Knight-Ridder Newspaper Sales
Eric Anderson; Newspaper Advertising Bureau
Tony Marsella; Newspaper Advertising Bureau
Stu Tolley; Newspaper Advertising Bureau

Extensive discussion among task force members pointed up areas of concern and suggested new approaches for researching these topics. However, Newspaper Advertising Bureau assumes complete responsibility for the conduct of the research and all conclusions drawn in this report.

Past NAB research studies of recent home buyers have focused almost exclusively on such issues as reasons for moving, time spent looking for a house to buy, factors influencing the choice of a realtor, etc. The present research differs from past studies in several respects, the main differences being:

1) Through the cooperation of National Association of Realtors and individual realty organizations, an effort was made to obtain interviews with household heads still in the process of buying or selling a home, in the hope of obtaining more accurate and detailed information.

2) Two separate interview forms were used, one focusing on home buying and one on home selling. This was done to obtain ratings on specific realtor functions associated with buying and selling.

3) The research went beyond the immediate issues connected with buying or selling to explore general attitudes toward realtors and interest in following trends in the real estate business. Respondents were also asked about their potential interest in new services that might be offered by realty firms.

The initial research design called for interviewing a total of approximately 450 buyers and 450 sellers by telephone, with the geographic distribution of these 900 interviews paralleling 1982 sales of residential real estate in the United States, excluding Alaska and Hawaii. Unfortunately, this goal proved unattainable, so that interviews were completed with only 382 respondents located mostly in the North Central and Pacific regions. In view of this sampling problem, findings presented in the report amount to tentative descriptions of general patterns. Without a representative sample of realtor clients it is not possible to arrive at precise measures of attitudes or behavior. Nevertheless, the general consistency of the data suggests that a representative sample might be expected to yield similar results.

Central location WATS-line interviewing for the research was conducted in the spring of 1984. Field work and tabulations were supervised by Creative Research Services of New York, to the specifications of Newspaper Advertising Bureau. The report was written by Charles Lehman of NAB's Research Department.

DETAILED FINDINGS

I. WHO'S BUYING NOW?

The Economics of Home Buying

Over the past decade, the median price of both new and existing houses in the United States has more than doubled (Table 1).

Table 1

Median Price of Houses Sold

	Year:		Percent
	1974	1983	Increase
New houses	$35,900	$75,300	110%
Existing homes	$32,000	$70,300	120%

Sources: Bureau of the Census (for new houses); National Association of Realtors (for existing homes).

During the same period, the mean price[1] for new houses rose even more, from $38,900 to $89,900, an increase of 131%. Since houses at the upper end of the price range affect the mean more than the median, this suggests a recent "split" in the pricing of residential real estate. In other words, the United States housing market may be developing a two-tier pricing system, with relatively more houses at either end of the price range and somewhat fewer in the middle.

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1) The mean price is an arithmetic average. The median is the midpoint of the distribution of prices. (That is, 50% of all buyers paid less than this amount while the remaining 50% paid more.)

Government figures on the distribution of sales prices in 1973 and 1982 tend to confirm that a two-tier pricing system may be developing (Table 2). The intended emphasis here is on the spread of prices rather than the absolute dollar level, but it might be noted that the highest category shown for 1973 is lower than the median for 1982.

Table 2

Distribution of Sale Prices for New Private One-Family Homes: 1973/82

1973		1982	
Price	Percent	Price	Percent
Under $20,000	8.2%	Under $50,000	16.2%
$20,000 - $29,000	32.9	$50,000 - $59,999	16.5
$30,000 - $39,999	30.9	$60,000 - $69,999	18.7
$40,000 - $49,999	15.5	$70,000 - $79,999	12.9
$50,000 & over	12.2	$80,000 - $99,999	14.8
		$100,000 - $119,999	6.3
		$120,000 & over	14.6

Source: Bureau of the Census and U.S. Department of Housing and Urban Development

How does the jump in the cost of one-family homes compare with other major categories in the consumer price index? The most recent figures available indicate that the cost of medical care has increased even more rapidly than housing prices, while transportation costs have just about kept pace (Table 3). Other major categories show smaller increases.

Table 3

Percent Increase in Major Consumer-Price-Index Categories, 1974/83

Medical care	136%
Transportation	118
Housing[a]	116
Food and beverages	79
Entertainment	73
Apparel and upkeep	44
Other goods and services	102

Source: U.S. Dept. of Labor, Monthly Labor Review, May 1984.

a) In this table, "housing" is a composite made up of several factors, including rent, home purchase, maintenance and upkeep, etc. One of these (fuel oil) increased by 196% over the ten-year period shown.

In order to round out the picture on housing costs, some attention should be given to the question of how much house people can get for their money. In this context, government figures show that the median square feet of floor area in new houses peaked in 1978 (Table 4). Since then, figures on floor area show a small but steady decline each year, so that a typical new house built in 1982 was about the same size as those built in 1975.

Table 4

Median Square Feet of Floor Area in New One-Family Houses: 1975 - 1982

Year	Median Sq. Ft.	Year	Median Sq. Ft.
1975	1,535	1979	1,645
1976	1,586	1980	1,595
1977	1,600	1981	1,550
1978	1,666	1982	1,520

Source: U.S. Bureau of the Census and U. S. Dept. of Housing and Urban Development

Economic Factors Affect the Demographic Mix of Home Buyers

On the whole, family incomes did not keep pace with inflation between 1973 and 1982. According to the latest government income statistics available, the typical family's purchasing power dropped by more than 10% during this time (Table 5)

Table 5

Median Family Income, in 1982 Constant Dollars

1973	$25,175
1982	$23,433

Source: U.S. Bureau of the Census, Current Population Reports

Declining purchasing power and skyrocketing interest rates obviously have a negative impact on aspiring home buyers. The net annual increase in the number of homeowner households plummeted from 1,251,000 in 1980, to 153,000 in 1982, and the 1983 figure (434,000) shows no statistically significant change from 1982[1].

The current level of mobility and divorce probably means that American families are less likely than ever before to spend their entire lives in the same house. Repeat buyers represent an important segment in today's housing market. They tend to be older than first-time buyers and probably have more disposable income. The higher prices they pay for homes (Table 6) often reflect the use of profit from the sale of a previously owned home to "upgrade".

Table 6

Median Prices of Houses Purchased by First-Time Buyers and Repeat Buyers

Year	(A) First-Time Buyers	(B) Repeat Buyers	Ratio of (B) to (A)
1977	$43,160	$58,730	+ 36%
1978	46,700	59,180	+ 27%
1979	50,800	64,600	+ 27%
1980	61,450	75,750	+ 23%
1981	63,180	82,220	+ 30%
1982	58,900	98,300	+ 67%

Source: Chicago Title Insurance Co., The Guarantor (copyright). Cited in Statistical Abstract of the United States, 1984.

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1) Source: U.S. Dept. of Commerce, Homeownership Trends: 1983

In view of the difference in purchase prices paid by first-time buyers and repeat buyers, it might be said that a two-tier housing market has existed for some time. In 1982, the typical repeat buyer paid 67% more than the typical first-time buyer-- a record differential. However, this spread may be a statistical anomaly rather than the precursor of a long-term trend.

The various statistics cited above reflect only a few of the many economic stresses impinging on today's home buyers. The implication of these figures is clear: The proportion of would-be home buyers with the financial resources to buy is smaller today than in the past. In other words, it is reasonable to assume that those who are able to buy in today's market generally have high socio-economic status. The demographic characteristics of buyers interviewed for this research (Table 7) certainly point in that direction: 62% of the home buyers are professionals or managers, and 77% have college backgrounds.

Table 7

Composition of Sample

	Total	Buyers	Sellers
Total respondents	100%	100%	100%
By Sex:			
Male	63%	66%	58%
Female	37	34	42
By Age:			
18-34 years	42%	49%	33%
35-44 years	33	32	35
45 years or older	24	18	32
By Household Income:			
Over $50,000	31%	32%	30%
$35,000 - $50,000	23	25	19
Under $35,000	26	24	28
By Presence of Children:			
Children 17 or younger	53%	53%	53%
No children	40	39	42
By Education:			
College graduate	50%	54%	44%
1 -3 years college	23	23	24
High school graduate	23	19	27
Some high school or less	4	3	5
By Employment:			
Employed	81%	87%	73%
Professional, manager	56	62	48
Clerical, sales	12	12	12
Other employed	13	13	13
Not employed	18	12	26

(Some classifications do not total 100% because "no answers" and refusals have been omitted.)

The distinction in Table 7 between "buyers" and "sellers" is rather artificial; most of the people in both subsamples are buying one house and selling another. Nevertheless, it should be noted that the percentage of college graduates, professionals and managers is higher among buyers than among sellers. The reason is that about one fourth of the buyers are first-time buyers, whereas some of the sellers bought their present homes when prices and interest rates were lower.

About four out of five (81%) of the realtor clients interviewed are married (not shown in table). This proportion is identical for the buyer and seller groups.

As a group, realty clients are good newspaper readers (Table 8). Seven out of ten (69%) read yesterday's weekday edition.[1] Newspaper reading is especially high among those owning homes with a market value of more than $100,000 (76%) or having family incomes over $50,000 (78%).

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1) Interviewing was conducted Tuesdays through Saturdays, so "yesterday" reading refers to Monday through Friday editions.

Table 8

Yesterday's Daily Newspaper Readership Among Realtor Clients

	Base: = 100%	Read Yesterday
Total Respondents	(382)	69%
By Sex:		
Male	(239)	70%
Female	(143)	67
By Age:		
18-34 years	(162)	69%
35-44 years	(126)	71
45 years or older	(92)	67
By Household Income:		
Over $50,000	(120)	78%
$35,000 - $50,000	(87)	77
Under $35,000	(99)	63
By Type of Realtor:		
Local Independent	(83)	71%
Large Organization	(279)	70
By Market Value of Home:		
Over $100,000	(150)	76%
$50,000 - $100,000	(181)	66
Under $50,000	(35)*	63

*Small base: shown for consistency only.

Question: Regardless of whether you saw the real estate ads or not, when was the last time you read or looked at a daily newspaper?

Demographic characteristics can also have implications for attitudes, lifestyles and "psychographic" traits. For example, self-concept data from the SMRB "Study of Media and Markets" show that the proportion of adults who call themselves "intelligent" is highest among college graduates and lowest among those with less than a high school education (Table 9).

Table 9

Self-Concept: Percentage Who Call Themselves "Intelligent", by Education

Total Adults	31%
College graduate	44%
1-3 years college	37
High school graduate	28
Some high school or less	25

Source: SMRB, 1983 Study of Media & Markets

The Homebuyer Mix Affects The Realtor's Task

The main point of this background discussion is to suggest that the characteristics of real estate clients can change the nature of the realtor's job. As a group, today's home buyers are probably the smartest ever. They are likely to be less sentimental and less susceptible to blatant emotional appeals than earlier home buyers were. Those who are professionals (and they are the majority!) expect their realtors to be professional also.

II. THE BUYING AND SELLING PROCESS

Over the years a great deal of research has been conducted with home buyers, focusing on their reasons for buying a house, their means of locating a realtor, the kinds of features desired in a new house, etc. The present research takes a broader, more inclusive look at client attitudes toward realtors, potential interest in new realtor services, and other subjects, but it also touches on questions traditionally used in real estate research. This chapter deals with some of these traditional concerns.

Why Do People Move?

In this sample of home buyers and sellers, the three most frequently mentioned reasons for moving are: Job transfers (25%), the desire for a larger house (23%), and the desire for home ownership (Table 10). In a 1978 study of home buyers[1] the same three reasons were mentioned by similar proportions of householders.

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1) "An Eight-Market Study of Recent Home Buyers", Newspaper Advertising Bureau, 1978.

Table 10

Main Reason For Moving From Present Home

	Total Respondents[a]	Buyers	Sellers
Job transfer	25%	29%	21%
Wanted larger house	23	19	29
Desire to own home	14	24	-
Wanted better neighborhood	11	10	11
Tax advantages	6	11	-
Wanted smaller house	6	3	10
Personal reasons	4	-	9
Good investment	3	5	-
To liquidate investment	3	-	6
Wanted better schools	2	3	2
To locate closer to work	2	1	3
All other reasons	3	1	6
No longer interested in buying/selling	13	17	9
No answer	2	2	3
Base: Total respondents = 100%	(382)	(217)	(165)

a) Totals more than 100% because of multiple answers.

Question: Buyers - When you recently contacted a realtor about buying a home, what were your main reasons for moving from your present home?

Sellers - When you listed your present home for sale, what were your main reasons for changing your residence?

As Table 9 shows, this 1984 research on realtor clients includes a sample of sellers as well as buyers. Sellers mention two reasons for moving that do not appear on the buyers' list or in previous surveys of home buyers: "personal reasons" (9%), and "to liquidate investment, get cash" (6%). These may be delicate or face-saving ways of referring to a divorce or the death of a spouse.

Do Home Buyers and Sellers Recall Any Advertising?

Respondents were asked to recall whether they had seen or heard any advertising for real estate firms at the time when they first started thinking about buying or selling. Roughly half (47%) of the respondents gave affirmative answers (Table 11). This figure probably understates the actual level of exposure to realtor advertising[1] but the percent who recalled seeing or hearing advertising was similar for both men and women, buyers and sellers, and various age and income groups.

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1) The original design for the research called for interviewing male and female heads of household while they were still in the process of buying or selling a home. However, by the time lists could be typed up, sent to NAB, forwarded to the research company and actually used for interviewing, many respondents had already completed the buying or selling process. As a result, certain questions in the interview make more demands on the respondent's memory than the research design anticipated.

Table 11

Whether Respondent Saw or Heard Any Advertising When First Thinking About Buying/Selling Home

	Base: = 100%	Saw or Heard Advertising:		No Answer
		Yes	No	
Total Respondents	(132)	47%	52%	1%
Buyers	(217)	50%	49%	1%
Sellers	(165)	43	56	1
By Sex:				
Male	(239)	44%	55%	1%
Female	(143)	53	47	-
By Age:				
18-34 years	(162)	46%	53%	1%
35-44 years	(126)	47	52	1
45 years or older	(92)	50	50	-
By Household Income:				
Over $50,000	(120)	45%	55%	-
$35,000 - $50,000	(87)	47	51	2%
Under $35,000	(99)	46	53	1
By Market Value of Home:				
Over $100,000	(150)	48%	51%	1%
$50,000 - $100,000	(181)	43	56	1
Under $50,000	(35)*	54	46	-

* Small base: shown for consistency only.

Question: When you first started thinking about _________ (buying a home, selling your home), did you happen to see or hear any advertising for real estate firms?

Those who recalled exposure to advertising for real estate firms were asked where they had come across this advertising. On average, respondents mentioned 1.8 media used by realtors. The most frequently cited source (by 67%) was the newspaper (Table 12).

Table 12

Where Advertising For Real Estate Firms Was Seen or Heard

	Percent
Newspaper	67%
Television	47
Radio	26
Magazine	11
Yard sign	9
Billboard	8
Pennysaver	3
Direct mail	2
All other	2
No answer	2

Base: Total recalling advertising = 100%

Question: Where did you see or hear this advertising--on radio, in a newspaper, on TV, or where?

Today's Buyers Spend More Time Looking

Respondents in the home buyer group were asked how long they had been seriously looking for a house to buy. Answers to this question ranged all the way from two weeks or less (for 11%) to fifteen months or more (for 9%). The 1978 research previously cited also included a question on time spent looking for a house. The questions used were different, but a rough comparison indicates that the typical 1978 respondent spent 46 days looking, in comparison to 70 days for the 1984 buyer (Table 13). (All of the 1978 respondents had already bought a house, whereas some of the 1984 respondents were still looking).

Table 13

Length of Time Spent Looking For A House To Buy

	1984 Buyers[a]	1978 Buyers
2 weeks or less	11%	30%
3 to 4 weeks	10	14
1 to 2 months	24	20
3 to 5 months	24	17
6 to 11 months	16	12
12 months or more	15	7
(Median time)	(70 days)	(46 days)

Question:

1984 - About how long have you been seriously looking for a home to buy?

1978 - After you first started looking, about how long was it before you decided on the home you bought?

a) "No answers" excluded to facilitate comparison (3% of total).

--And Most Buyers Talk With More Than One Realtor

The longer housing searches made by today's prospective buyers probably reflect unpleasant realities, especially high interest rates and prices that may be beyond their means.

The majority of the 1984 buyers (57%) also report talking with two or more realtors (Table 14) and about one quarter of the buyers (24%) say that they have spoken with four or more realtors.

Table 14

Number of Real Estate Agents or Brokers Buyers Have Talked With

	Percent	Cumulative Percent
One	42%	99%
Two	18	57
Three	15	39
Four	9	24
Five or more	15	15
No answer	1	
Base: Total buyers = 100%	(217)	

Question: And during that time, how many different real estate agents or brokers have you talked with?

Buyers Give Their Realtors Good Ratings on Key Services

Instead of asking home buyers to give their realtors all-inclusive ratings on service, this research focuses attention on six separate realtor functions (Table 15).

On the whole, home buyer responses to this part of the interview reflect favorable attitudes toward the realtors they deal with most often. Three out of four (74%) rate their agents and brokers "high" or "very high" on "being up to date on local housing availability and costs". A similar proportion (72%) rate realtors "high" or "very high" on "understanding your housing needs". A majority (57%) also agree that their realtors are effective at "helping you find the kind of financing you need".

Table 15 shows that realtors get their most favorable ratings on functions that are central to their traditional role of matching up available housing and available buyers. Ratings were somewhat lower for secondary functions like "giving you information about tax laws that affect homeowners" but even in these cases the majority of home buyers rate their realtors "average" or better. These advisory functions may appear to be unrelated to the basic task of selling, but they probably have important implications for the realtor's status as a professional.

Table 15

Buyers Ratings of Principal Realtors on Specific Services

	Very High	High	Average	Low	Very Low
Understanding your housing needs	36%	36%	19%	3%	3%
Being up to date on local housing availability and costs	35	39	20	1	2
Helping you find the kind of financing you need	27	30	27	8	3
Advising you on the investment value of different kinds of homes	22	24	35	10	5
Giving you information about tax laws that affect homeowners	15	21	30	20	8
Advising you on how construction features affect cost of upkeep	14	22	28	20	10

Base: Total buyers = 100% (N=217)

(Rows do not total 100% because "don't know, no answer" categories have been omitted.)

Question: In the course of looking for a home you have probably discussed a lot of things. I would like you to rate the agent or broker you talk with most often on some things that affect the kind of service a home buyer gets. Would you rate your realtor as very high, high, average, low, or very low on:

Rating by Home Sellers Don't Vary Much

Home seller ratings of five other specific realtor functions also tend to be favorable, but ratings by sellers show less variation from one function to another (Table 16). For sellers, the proportion of "high" plus "very high" ratings ranges only from 53% to 64%, as compared with a range of 36% to 74% among buyers who were asked about six different functions.

The greater consistency in seller ratings may reflect the closer relationship between sellers and realtors, and the fact that the realtor is the seller's legal agent. Home sellers gave realtors particularly good marks for "advertising your home in a way that emphasizes its best features" (64% high/very high) and "showing people through your home in a way that makes a good impression" (62%).

Six out of ten sellers (61%) reported that their realtors had already arranged for an open house by the time they were interviewed (not shown in table).

Table 16

Seller Ratings of Principal Realtors on Specific Services

	Very High	High	Average	Low	Very Low
Showing people through your home in a way that makes a good impression	29%	33%	27%	6%	1%
Advertising your home in a way that emphasizes its best features	27	37	21	7	6
Advising you on what you can do to make your home a more attractive buy	26	29	32	8	4
Screening prospective buyers to make sure they are serious prospects	24	39	19	10	4
Advertising your home often enough to reach the maximum number of prospects	23	30	25	13	5

Base: Total sellers = 100% (N=165)

(Rows do not total 100% because "don't know, no answer" categories have been omitted.)

Question: Since listing your home for sale you have probably learned a lot about your real estate firm's approach to selling. I'd like you to rate your agent or broker on five things that affect the kind of service you get. Would you rate your realtor as very high, high, average, low or very low on:

Most Sellers Are Also Prospective Buyers

The majority of home sellers (62%) say that when they sell their present homes, they plan to buy another (Table 17). The remaining sellers are divided among those who plan to rent (16%), those who will live in a second home they already own (14%), and a few (2%) who will make some other arrangement.

The proportion who plan to buy another home is highest (at 76%) among home owners with incomes over $50,000 and lowest (at 43%) among those who are 45 or older. Conversely, this oldest group of sellers is most likely to report owning a second home that they will move into.

On the whole, these responses confirm that most Americans put a high value on home ownership. Sellers who become renters, and those who give up one of two homes owned may be impelled to do so by retirement, financial considerations, physical disabilities associated with aging, or the death of a spouse.

Table 17

Future Housing Plans of Sellers

	Base: = 100%*	Buy Another Home	Rent	Have Second Home
Total Sellers	(165)	62%	16%	14%
By Sex:				
Male	(95)	64%	10%	18%
Female	(70)	60	24	9
By Age:				
18-34 years	(55)	67%	18%	11%
35-44 years	(57)	75	11	7
45 years or older	(53)	43	19	25
By Household Income:				
Over $50,000	(50)	76%	6%	14%
$35,000 - $50,000	(32)	59	25	6
Under $50,000	(46)	59	22	11
By Market Value of Home:				
Over $100,000	(65)	65%	12%	15%
Under $100,000	(99)	61	17	13

* Rows do not add to 100% because "other answer" and "no answer" have been omitted (8% of total responses)

Question: When you sell your present home, do you plan to buy another home, are you going to move into a second home you already own, or what?

They Keep on Checking the Classified Section

At the time of their interviews, all of the respondents in this sample had already contacted a realtor. The sellers had listed their homes for sale, and some buyers and sellers had already completed real estate transactions.

Nevertheless, two thirds of the total sample (67%) report that they are still checking homes for sale in the classified section of the newspaper (Table 18). This proportion is identical among both buyers and sellers. In all of the key demographic segments analyzed, more than six out of ten report that they still check the classified section.

Table 18

Whether Respondent Still Checks Homes For Sale In Newspaper Classified Section

	Base: = 100%	Yes, Check	No, Don't Check
Total respondents	(132)	67%	33%
Buyers	(217)	67%	33%
Sellers	(165)	67	33
By Sex:			
Male	(239)	69%	31%
Female	(143)	64	36
By Age:			
18-34 years	(162)	72%	28%
35-44 years	(126)	63	37
45 years or older	(92)	62	38
By Household Income:			
Over $50,000	(120)	66%	34%
$35,000 - $50,000	(87)	72	28
Under $35,000	(99)	65	35
By Market Value of Home:			
Over $100,000	(150)	65%	35%
$50,000 - $100,000	(181)	68	32
Under $50,000	(35)*	63	37

* Small base: shown for consistency only.

Question: Buyers: Even though you are now working with a real estate agent, do you still check the homes for sale in the newspaper classified section?

Sellers: Now that your own home is listed for sale, do you still look in the newspaper classified section to see how other homes for sale are being advertised?

How Often Do They Check Classified?

Among those who say that they continue to check the classified section, about nine out of ten (89%) look at the classified pages at least once a week (Table 19). Roughly four out of ten (38%) see the homes for sale ads more than once a week.

Table 19
Frequency of Checking Homes for Sale
In Newspaper Classified Section

	Base: = 100%	Almost Every Day	2 - 3 Times A Week	About Once A Week	Less Often
Total respondents[a]	(256)	16%	22%	51%	11%
Buyers	(145)	14%	22%	52%	12%
Sellers	(111)	18	21	51	10
By Sex:					
Male	(165)	16%	24%	50%	10%
Female	(91)	14	17	54	14
By Age:					
18-34 years	(117)	11%	21%	58%	10%
35-44 years	(80)	20	25	44	10
45 years or older	(57)	19	16	51	14
Household Income:					
Over $50,000	(79)	13%	18%	58%	11%
$35,000 - $50,000	(63)	24	27	40	9
Under $50,000	(64)	14	23	56	6

Base: Respondents who report checking classified = 100%

a) Some rows do not total 100% because "no answers" have been omitted (less than 0.5% of total).

Question: About how often do you look at homes for sale in the newspaper classified section--almost every day, two or three times a week, about once a week, or less often?

III. THE REALTOR'S PLACE IN A CHANGING WORLD

The Realtor "Image"--A Paradox

As shown in the preceding chapter (Tables 15 and 16), both buyers and sellers tend to give their realtors high marks on specific service functions. In view of these findings, it may seem curious that the same people give realtors only fair to middling grades on honesty and ethical standards (Table 20). On these traits realtors are rated much higher than the people who sell cars and insurance, about the same as stockbrokers, and considerably lower than druggists or bankers.

Table 20

Six Occupations: Ratings for Honesty and Ethical Standards*

	Total Respondents	Buyers	Sellers
Druggists	78%	77%	79%
Bankers	57	53	62
Stockbrokers	27	27	26
Realtors	23	22	24
Insurance salepeople	9	8	11
Car salespeople	2	1	4
Base: Total respondents = 100%	(382)	(217)	(165)

* Percentages shown represent "very high" plus "high" ratings.

Question: Would you rate the honesty and ethical standards of _____ as very high, high, average, low or very low?

Although the figures shown in Table 20 may be cause for concern, their importance should not be overestimated. In fact, ratings for all six of the listed occupational groups might be considered stereotypes that have little bearing on the way members of the public relate to particular individuals in these occupations. Perhaps it is more significant that 55% give realtors an "average" rating on honesty and ethical standards.[1] Nevertheless, the figures in Table 19 do suggest that advertising designed to give realtors a more professional image has so far met with only limited success.

Perceptions of Independents and Large Organizations

Apart from any stereotypes clients may have about realtors as a group, they also find different advantages in dealing with a local independent or a large organization (Table 21). Among the home buyers and sellers patronizing local independents, 64% associate this kind of realty firm with friendly, personal service. Among the clients of large realty organizations, only 19% talked about friendly, personal service, but large organizations received many more references to professionalism or efficiency, and many more comments about the number of listings available.

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1) For additional details on these ratings among demographic segments, see Appendix Table 1.

Table 21

Main Advantages of Dealing With A Local Independent Realtor Or A Large Organization

	Local Independent	Large Organization
More personal service, friendlier	64%	19%
Have more listings	17	43
More professional, efficient	11	50
More knowledge of local area	4	-
Local financing	1	-
Knew agent personally	-	5
All other mentions	1	7
"No advantages"	5	5
No answer	5	4
Base: Respondents Dealing With Specified Type of Real Estate Firm = 100%	(83)	(279)

Questions: Is the real estate firm you most often deal with a local independent realtor or part of a large organization like Century 21, ERA or Coldwell Banker? What are the main advantages of dealing with a ________ (Local independent realtor, a large organization)?

How Does Real Estate Stack Up As An Investment?

At the beginning of the interview, respondents were asked which of three options they would choose if they were to put all of their funds into only one type of investment. Exactly half (50%) chose "real estate", as compared with 35% opting for "a savings account", and 12%, the stock market (Table 21). A larger percentage of buyers (56%) than sellers (43%) saw real estate as the most desirable investment.

Table 22

The Most Desirable Investment (Forced Choice)

	Total Respondents	Buyers	Sellers
Real estate	50%	56%	43%
Savings account	35	32	39
Stock market	12	10	15
Don't know, no answer	3	2	3
Base: Total respondents = 100%	(382)	(217)	(165)

Question: Suppose that for some reason you wanted to put all of your funds into only one type of investment. Which do you think would be most desirable for you personally--the stock market, real estate or a savings account?

--But Investment Preferences Can Change With Age

The belief that real estate is the most desirable kind of investment is strongest among the young adults who are most likely to be first-time home buyers (Table 23). With adults under 35, "real estate" is a clear favorite, outpulling the second-ranking "saving account" by almost two to one.

On the other hand, those who are 45 or older are more likely to choose a savings account (46%) than real estate (34%). These contrasting attitudes may reflect real differences between generations, shifts influenced by a given individual's stage in the life cycle, or other unidentified factors.

Table 23

The Most Desirable Investment, by Respondent's Age

	18-34 Years	35-44 Years	45 Years or Older
Real estate	57%	55%	34%
Savings account	31	33	46
Stock market	10	10	15
Don't know, no answer	2	2	5
Base: Total respondents = 100%	(162)	(126)	(92)

What Makes Real Estate The Best Investment?

Respondents who picked real estate as the best investment for themselves were asked to explain what it is about real estate that makes it desirable (Table 24). In general, this group emphasized the rate of return (49%) or appreciation (30%) more than safety (39%). A sizable minority (23%) also referred to tax advantages.[1]

Table 24

Reasons Why Real Estate Is The Most Desirable Investment

	Total Respondents*	Buyers	Sellers
Best return on money	49%	47%	54%
High appreciation	30	34	23
Safest, least risk	39	36	45
Most tax advantages	23	26	17
Best hedge against inflation	9	8	10
No answer	6	6	6
Base: Total who say real estate is most desirable investment = 100%	(193)	(122)	(71)

* Total exceeds 100% because of multiple answers.

Question: What is it about real estate that makes it the most desirable kind of investment for you?

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[1] Buyers' responses to a question on the advantages of buying over renting put much more emphasis on tax advantages. (See Appendix Table 4)

Housing Prices Versus The General Inflation Rate

Another question related to real estate as an investment focuses on changes in the market value of housing relative to the general inflation rate (Table 25). The majority of home buyers and sellers (56%) agree that over the past five years residential housing prices have risen more than inflation overall. Only 15% express the opposite view, that housing prices have gone up less than the general inflation rate. These ratios show no striking variations for major demographic segments analyzed.

Table 25

Perception of Market Value of Housing Versus General Inflation Rate

	Base: = 100%	Market Value of Housing Has: Gone Up More	Gone Up Less	Kept Pace
Total respondents	(382)	56%	15%	29%
Buyers	(217)	58%	14%	27%
Sellers	(165)	53	16	30
By Sex:				
Male	(239)	56%	14%	29%
Female	(143)	56	16	27
By Age:				
18-34 years	(162)	51%	17%	31%
35-44 years	(126)	60	14	26
45 years or older	(92)	60	12	27
By Household Income:				
Over $50,000	(120)	56%	16%	28%
$35,000 - $50,000	(87)	52	17	31
Under $35,000	(99)	50	17	31
By Market Value of Home:				
Over $100,000	(150)	55%	14%	30%
$50,000 - $100,000	(181)	54	16	30
Under $50,000	(35)*	63	20	17

* Small base - shown for consistency only.

Question: In the past five years or so, would you say that the market value of residential housing has gone up more than the general inflation rate, less than the general inflation rate, or just about kept pace with inflation?

Is The Investment Value of Home Ownership Declining?

On the question of the investment potential of home ownership today, compared with five years ago, respondents were divided about evenly between those who say that it is a better investment now (36%) and those who say that it is not as good an investment (42%) (Table 26). Respondents were asked to choose one of these two possibilities, but 22% volunteered the opinion that there has been no change in the investment value of home ownership.

Table 26

Home Ownership As An Investment: Now Versus Five Years Ago

	Total Respondents	Buyers	Sellers
A better investment now	36%	38%	34%
Not as good an investment as it used to be[a]	42	42	42
About the same as before (volunteered)	22	20	24
Base: Total respondents = 100%	(382)	(217)	(165)

Question: As compared with five years ago, would you say that home ownership is now a better investment than it used to be or not as good an investment as it used to be?

a) See Appendix Table 2 for respondents' comments about why real estate is a less desirable investment now.

Today's Home Owners Follow Real Estate Trends

In response to a direct question, about half (53%) of the respondents indicate that they try to keep up with trends in the real estate business, apart from their personal interest in buying or selling a home (Table 27). Like many of the other attitude measures obtained in this research, this proportion shows little variation from one demographic segment to another.

The high level of interest in real estate as a business suggests that some contemporary home owners may regard their residences much as they would any other "investment", regardless of emotional connotations the word "home" might have had for an earlier generation. It would be reasonable to expect that some two-career couples[1] have relatively little involvement with "hearth and home", especially if they are childless.

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1) Among married respondents, about half (51%) report that both spouses are employed.

Table 27

Percent Who Try To Stay Abreast Of Trends In the Real Estate Business

	Base: = 100%	Percent
Total respondents	(382)	53%
Buyers	(217)	51%
Sellers	(165)	55
By Sex:		
Male	(239)	53%
Female	(143)	52
By Age:		
18-34 years	(162)	52%
35-44 years	(126)	50
45 years or older	(92)	58
By Household Income:		
Over $50,000	(120)	53%
$35,000 - $50,000	(87)	51
Under $50,000	(99)	49
By Market Value of Home:		
Over $100,000	(150)	53%
$50,000 - $100,000	(181)	51
Under $50,000	(35)*	51

* Small base: shown for consistency only.

Question: Apart from any direct interest in buying or selling a home, do you try to stay abreast of trends in the real estate business?

The Newspaper Is The Number-One Source

Among those who keep abreast of real estate trends, the primary source of information is the newspaper (Table 28). Seven out of ten (70%) say that they get their news about real estate mainly from the newspaper. The second-ranking source is "personal contacts", mentioned by 33%.

Table 28

Main Source of Information on Real Estate Business Trends

	Total Respondents[a]
The newspaper; classified ads	70%
Personal contacts	33
Business publications[b]	22
TV newscast	8
Radio newscast	3
All other mentions	1
No answer	2
Base: Total who try to keep abreast of trends = 100%	(201)

a) Total exceeds 100% because of multiple answers.

b) Includes mentions of Business Week, Fortune, Wall St. Journal, etc.

Question: What is your main source of information about what is going on in the real estate business as a whole?

The Real Estate Business: A Key Factor In the Economy

Awareness of real estate's importance to the national economy is much more widespread than the habit of following trends in the business (Table 29). Three out of four realtor clients (75%) call a healthy real estate industry "very important" to the nation's economy. Only 3% believe that it is "not very important" or "not important at all".

On a purely objective level, of course, a healthy real estate industry is very important to our national economy. However, the sample's awareness of that importance may well reflect their vested interest as homeowners. A sample composed entirely of renters would probably be less sensitive to real estate's key functions in our economy.

A house represents the largest single purchase most Americans make in their lifetimes. Therefore, it is safe to assume that home owners as a group would almost automatically be opposed to any development or government action that threatens the value or liquidity of their housing investment.

Table 29

Importance of a Healthy Real Estate Industry to the National Economy

	Base: = 100%	Very Important	Somewhat Important	Not Very, Not at All Important
Total Respondents	(382)	75%	22%	3%
Buyers	(217)	72%	26%	3%
Sellers	(165)	79	19	2
By Sex:				
Male	(239)	75%	22%	3%
Female	(143)	77	22	1
By Age:				
18-34 years	(162)	70%	28%	2%
35-44 years	(126)	75	20	4
45 years or older	(92)	85	15	-
By Household Income:				
Over $50,000	(120)	73%	24%	3%
$35,000 - $50,000	(87)	74	24	2
Under $50,000	(99)	80	17	2
By Market Value of Home:				
Over $100,000	(150)	78%	18%	3%
$50,000 - $100,000	(181)	77	22	1
Under $35,000	(35)*	60	37	2

* Small base: shown for consistency only.

Question: So far as our national economy is concerned, how important is it to have a healthy real estate industry? Would you say it is very important, somewhat important, not very important or not important at all?

How Do Buyers Feel About Innovations In Financing?

Respondents in the home buyers sample were asked about the chances that they would consider financing a home through a mortgage broker connected with a realtor (Table 30). More than six out of ten (63%) said that they would "definitely" or "probably" consider this financing arrangement. Convenience was the principal advantage seen in this innovation.[1]

Nearly eight out of ten men (78%) responded positively to this idea, as compared with only half of the women (52%). A fairly high percentage of "don't know" comments (15%) suggests that some home buyers were not so much resistant to the idea as they were uncertain about how this kind of arrangement would work.

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1) See Appendix Table 3 for more details on perecived advantages.

Table 30

Chances of Financing Through Mortgage Broker Connected with Realtor

	Base: = 100%	Positive[a]	Negative[b]	Don't Know
Total buyers	(217)	63%	22%	15%
By Sex:				
Male	(144)	78%	21%	11%
Female	(73)	52	25	23
By Age:				
18-34 years	(107)	61%	23%	16%
35-44 years	(69)	70	20	10
45 years or older	(39)[c]	56	23	21
By Household Income:				
Over $50,000	(70)	65%	19%	16%
$35,000 - $50,000	(55)	67	20	13
Under $35,000	(53)	63	24	13

a) Would "definitely consider" (15% of total) and "probably consider" (48%) combined.

b) Would "probably not consider" (15%) and "definitely not consider" (7%) combined.

c) Small base: figures are shown for consistency only.

Question: Suppose you should buy a house through a real estate firm which had a connection with a mortgage broker, so that they could have someone call on you at home to discuss financing. What are the chances that you would take a mortgage with this kind of company?

Would They Take Out Homeowner Insurance Through A Realtor?

Both buyers and sellers were asked whether they would consider taking out homeowner insurance through a realtor (Table 31). This idea encountered much more resistance than the idea of using a mortgage broker connected with a realtor. Overall, 61% of the respondents said that they would "probably not" or "definitely not" consider insuring through a realtor.

Resistance to taking out homeowner insurance through a realty firm did not appear to stem from uncertainty or misunderstanding. Only 3% offered "don't know" comments, as compared with 26% who said they would "definitely not" consider this kind of arrangement. The proportion of negative responses was higher among sellers (71%) than among buyers (54%).

About one third of the sample (34%) responded positively to the idea of homeowner insurance through a realty firm, while another 3% said that they had already taken out a homeowner policy through a broker. (All of the latter were buyers.)

Table 31

Chances of Taking Out A Homeowner Policy Through A Realty Firm

	Base: = 100%	Positive[a]	Negative[b]	Already Have One
Total respondents	(382)	34%	61%	3%
Buyers	(217)	40%	54%	5%
Sellers	(165)	25	71	-
By Sex:				
Male	(239)	34%	62%	3%
Female	(143)	33	60	2
By Age:				
18-34 years	(162)	34%	62%	3%
35-44 years	(126)	31	64	1
45 years or older	(92)	37	55	5
By Household Income:				
Over $50,000	(120)	31%	59%	4%
$35,000 - $50,000	(87)	36	62	1
Under $35,000	(99)	35	61	3
By Market Value of Home:				
Over $100,000	(150)	32%	61%	3%
$50,000 - $100,000	(181)	34	63	2
Under $50,000	(35)*	37	54	3

Base: Total respondents = 100%

* Small base: shown for consistency only.

a) Would "definitely consider" (6% of total) and "probably consider" (28%) combined.

b) Would "probably not consider" (35%) and "definitely not consider" (26%) combined.

Question: Suppose that a real estate firm in your neighborhood offered various kinds of homeowner insurance. What are the chances that you would take out a homeowner policy through a realtor?

Invest In Real Estate Developments? Maybe...

A question about willingness to consider investing in real estate developments on a share basis (Table 32) produced more negative (59%) than positive (39%) responses. However, four out of ten represents a respectable level of acceptance for this kind of question.

Differences in the response patterns found for individual demographic segments are not statistically significant, but the direction of the differences suggests that an investment plan of this type could be successful, especially if well conceived and well executed. The proportion willing to consider this kind of investment through a realty firm is highest among men, respondents less than 35 years old, and those with family incomes of more than $50,000.

Evaluations of the possibilities for this type of venture should also take into account the fact that respondents tend to consider real estate a better investment than either stocks or savings accounts. (See Table 22.)

Table 32

Chances Of Investing In Real Estate Development Through A Realty Firm

	Base: = 100%	Positive[a]	Negative[b]	Don't Know
Total respondents	(382)	39%	59%	2%
Buyers	(217)	43%	55%	2%
Sellers	(165)	34	64	2
By Sex:				
Male	(239)	43%	54%	3%
Female	(143)	32	67	1
By Age:				
18-34 years	(162)	43%	55%	3%
35-44 years	(126)	37	61	2
45 years or older	(92)	35	63	2
By Household Income:				
Over $50,000	(120)	43%	55%	2%
$35,000 - $50,000	(87)	40	59	1
Under $35,000	(99)	32	66	2
By Market Value of Home:				
Over $100,000	(150)	39%	58%	3%
$50,000 - $100,000	(181)	40	58	2
Under $50,000	(35)*	26	71	3

a) Would "definitely consider" (7% of total) and "probably consider" (32%) combined.

b) Would "probably not consider" (32%) and "definitely not consider" (27%) combined.

* Small base: shown for consistency only.

Question: Suppose that a professional real estate firm in your neighborhood offered a plan that would enable you to invest even sums of money like $1,000, $2,000, etc., in large real estate developments. What are the chances that you would consider this kind of investment? Would you definitely consider it, probably consider it, probably not consider it, or definitely not consider it?

A Summing Up:
Where Does The Realty Business Go From Here?

This research, seen in the context of recent developments cited in Chapter I, suggests that both local independents and national realty firms will continue to experience a period of rapid, widespread change. Surviving in today's fast-moving, deregulated economy will demand maximum flexibility, constant attention to shifting market conditions, and possibly the willingness to expand into new services.

The extended housing boom that followed World War II was fueled by a combination of low housing prices, low interest rates and governmental largesse. It is unrealistic to expect a return of such favorable conditions in the foreseeable future. No matter how strong the pent-up demand for housing may be, the proportion of would-be homeowners who are able to buy is smaller now than in previous decades.

In effect, this means that the people who once represented only the cream of the buyer population are now the *total* market. On the whole, today's home buyers are the best educated, the most affluent and the most sophisticated ever. Even in today's tight housing market, they are more likely to be interested in upgrading than in downgrading. They may also be demanding realty clients.

APPENDIX

Appendix Table 1

Ratings of Realtors for Honesty and Ethical Standards, by Demographics

	Base: = 100%	Very High, High	Average	Low, Very Low
Total respondents	(382)	23%	55%	21%
Buyers	(217)	22%	54%	24%
Sellers	(165)	24	58	16
By Sex:				
Male	(239)	21%	55%	23%
Female	(143)	27	56	17
By Age:				
18-34 years	(162)	17%	62%	15%
35-44 years	(126)	26	51	22
45 years or older	(92)	27	50	19
By Household Income:				
Over $50,000	(120)	21%	53%	23%
$35,000 - $50,000	(87)	21	56	22
Under $35,000	(99)	25	59	15
By Market Value of Home:				
Over $100,000	(150)	26%	48%	25%
$50,000 - $100,000	(181)	21	57	21
Under $50,000	(35)*	22	71	6

* Small base: shown for consistency only.

Appendix Table 2

Reasons Why Home Ownership Is A Less Desirable Investment Now

	Total Respondents[a]	Buyers	Sellers
Housing prices not rising as fast as before, less appreciation	65%	64%	66%
Interest rates are too high	36	40	30
Property taxes going up	20	21	19
Heating and maintenance costs are too high	6	5	7
Difficult to sell	1	-	1
Too expensive	1	-	1
Poorer quality housing	1	-	1
All other reasons	3	4	-
No answer	1	1	-
Base: Respondents who say home ownership is now a less desirable investment = 100%	(161)	(92)	(69)

a) Total exceeds 100% because of multiple answers.

Question: What is it about home ownership that makes it a less desirable investment than it used to be?

Appendix Table 3

Main Advantage of Using Mortgage Broker Connected with Realtor

	Percent of Total
Ease or convenience, all done by one person	47%
Good combination, realtor has good connections, would give good service	19
Depends on interest rate, whether rate is competitive	16
Financially advantageous	9
Good to have options (other than banks)	6
All other reasons	4
Don't know, it depends	8
No answer	1
Base: Buyers who would consider financing arrangement = 100%	(136)

Question: What would be the main advantages of this arrangement?

Appendix Table 4

Main Advantages Of Buying Rather Than Renting

	Total Buyers[a]
Tax benefits	67%
Good investment	64
Privacy	38
No landlord problems	12
No answer	3
Base: Total buyers = 100%	(217)

a) Totals more than 100% because of multiple answers.

Question: And for you personally, what are the main advantages of owning rather than renting your home?